Canada's Opportunity in U. K. Bacon Market (Page 9)   *Canada Bread President Ousted* (Page 1)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

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The Nation's Business

- Canada Bread Investors Are Puzzled
- British Market for Canadian Bacon
- Public Works and Employment

More Facts Needed About Canada Bread

INTERNAL squabbles in large corporations are unpleasant matters. When they develop in corporations with several hundred scattered shareholders they are a matter of public property and must be ventilated. This week The Financial Post gives a lengthy account of the somewhat stormy annual meeting of Canada Bread Company when the former president delivered himself of a slashing attack on the general manager and on the Maple Leaf Milling Company, who hold control and when he was himself ousted from the board.

If the account seems a bit one-sided it is because those who might have been expected to reply to former president Gooderham have felt it best to maintain a dignified silence both at the meeting and in response to attempts of The Financial Post to obtain replies to Mr. Gooderham's allegations. Perhaps the directors feel that the undoubted integrity and character of the new men they have placed on the board is the best assurance they can give the shareholders that they have the shareholders' interests at heart and that their selection of the general manager as a director indicates their confidence in him. Nevertheless, shareholders wonder what all the disturbance is about and they ought to be vouchsafed at an early date a complete survey of their company's position and policies from the new board of directors.

* * *

THIS is a situation which the new board should face early in its career. There are men on the new board who have shown themselves fully alive in the past to the advantage of having shareholders satisfied and fully informed about their companies' affairs. A considered statement now and a future policy of even bending backward in the fullness and frequency of informative reports given to shareholders, seems the best way whereby the new board can show its concern for interests of minority shareholders. But neither the statement of Mr. Gooderham nor the criticism of W. B. Taylor should be ignored. New members of the board may not be concerned in ancient controversies but they will have much to do in shaping future policy and the unrest of shareholders enhanced by Mr. Gooderham's statement demand attention.

* * *

A Gold Mine In Our Farms

CANADA is filling too small a percentage of the generous bacon quota allotted to her under the Imperial Economic Conference trade agreement of 1932. We are permitted to sell Britain 2,500,000 cwt. yearly of bacon. This would be worth about $31,000,000 to Canadian producers and packers. Yet in the first seven months of this year we sold only 676,000 cwt. of bacon and ham to Britain, of a total value of $6,791,000. Let it be recorded that these figures represented an advance of almost 100 per cent over the previous year's figures for the same period, when we shipped 367,000 cwt. to a value of $3,523,000.

And let it be recorded that the shipments are growing each month.

Canada's lassitude in the matter of bacon export to Great Britain is an old story. We have been "in-and-outers" in the trade, chiefly because so many of our farmers have experimented with the right kind of hog when prices were high and fallen down when prices were low. But it isn't the kind of business where the "in-and-outer" can succeed. It takes years to establish a farm supply of best quality hogs. Right now, with the British market open to us our packers cannot get enough hogs of the type they need. The farmers who have held on to their hogs of the right type are now reaping a tidy profit.

Denmark dominates the British bacon market. She does it by organizing every phase of bacon supply, from the hogs on the farm—yea, farther back yet to the farm boys going to school—to the consumer's table in England. Why Denmark has beaten us out in the rich and profitable market, why she will continue to do so for a few years

(Continued on page 2, col. 3)

President is Ousted From Canada Bread Co. Four New Directors

Carlisle, Shields, Waldie and Loftus Are New Faces on Board

NEW HEAD SOON

H. F. Gooderham, K.C., Attacks Maple Leaf Milling Control in Retiring — Claims Best Efforts Frustrated

Henry F. Gooderham, K.C., was ousted from the presidency of Canada Bread Co. at the annual meeting on October 6 and four new directors were added to the board to fill this and other vacancies. Major A. E. Nash and E. D. Gooderham also retired from the board for personal reasons and the full board, as reconstituted, stands as follows: C. H. Carlisle, president of the Goodyear Tire & Rubber Co. of Canada and vice-president of Dominion Bank; R. S. Waldie, vice-president of Imperial Bank and director of Maple Leaf Milling Co.; C. B. Shields, vice-president of Loblaw Groceterias Co.; Victor Loftus, general manager of Canada Bread Co.; Dr. J. H. McConnell, H. J. Symington, K.C., and C. W. Band, the last three being the only remaining members of the old board. Dr. McConnell and R. S. Waldie represent first preference shareholders, C. H. Carlisle the second preference and the others the common shareholders.

Officers Not Elected

The annual meeting lasted so long that no meeting of the new board has been held for the election of officers. The meeting was most unusual in character; the shareholders present showed intense interest in the company's affairs by their lively questioning; and the president concluded his term of office by stating that management and board had not supported him in his plans for improving the earnings of the company. Maple Leaf Milling Co. owns the majority of the common stock, and Mr. Gooderham stated that advantage was taken of that fact to order his deposition and to have a full board entirely representing Maple Leaf Milling Co.

No answer was made at the annual meeting to Mr. Gooderham's statements, which are given later in this report. The Financial Post endeavored without success to get some person or persons high in the affairs of Maple Leaf Milling Co., or the new board of Canada Bread Co., to state their point of view with regard to various statements by Mr. Gooderham. The latter states that he was informed by members of the Maple Leaf Milling Co. board that his resignation was desired to put an end to constant friction between president and management of Canada Bread and between president and other members of the Canada Bread board. Mr. Gooderham also informed The Financial Post that he refused to resign, preferring to force Maple Leaf Milling Co. to depose him at the annual meeting as a demonstration to shareholders that they should take measures to watch their investment in the company very closely.

Wants a Valuation

W. B. Taylor and G. S. Currie spoke critically of the company's financial statement. Mr. Taylor criticized the asset of $5,091,770 shown in the balance sheet for buildings and equipment. Even though there was a depreciation reserve of $2,123,823, the valuation was based on an appraisal made as at June 30, 1923, with land and subsequent additions at cost. In his opinion the appraisal was excessive in the first place but in any case the drop in real estate valu-

(Continued on page 3, col. 3)

Record Output Boots and Shoes Features Week

Increased buying in anticipation of higher prices can be credited for the record output of boots and shoes recorded in August, the monthly total being the highest recorded since these figures were first compiled in January, 1926. Higher prices for leather footwear are expected soon as raw material prices have risen considerably.

Weakness of commodity prices was continued from the previous week. Spotty export demand for wheat was insufficient to cause a price rise. Heavy cotton offerings in the United States forced prices down slightly. Cattle prices in Canadian centres were exceedingly low despite record export shipments of cattle to Britain. Coffee, tea, sugar and other household commodities were generally unchanged though weakness was evident in demand.

			—Change—	
Monthly		Aug. '33	From prev. period %	From prev. year %
Boot & shoe prod.	prs.	2,237,179	+13.3	+30.9
Coml. failures	No.	150	+5.6	—20.0
	$	2,357,510	+5.8	—16.6
Weekly*				
Carloadings	No.	51,229	+8.1	—1.1
Cattle sales	No.	14,241	—6.3	+5.2
Hog sales	No.	17,694	+12.0	+10.6
Wheat exp.	bu.	3,813,376	—1.9	—47.0

*Weeks ended Sept. 30, Oct. 5, Oct. 5 and Sept. 29 respectively.

Bondholders May Act Against Eng. Oblates

A meeting of bondholders of English Oblates of Eastern Canada will soon be called, by trustees under indentures, to consider what action should be taken against the order in view of default of principal and interest on outstanding bonds. The chief properties of the society are St. Joseph's church and St. Patrick's school, Ottawa.

This default is understood to be the first on record by an order of the Roman Catholic church in Canada in which action to enforce their lien has been considered by bondholders. In previous cases where financial difficulties have been encountered, it is understood that arrangements have always been made by the orders whereby the shortage was covered.

INSURANCE FOR JOBLESS IS MOOTED

Ottawa Would Pay 25 Per Cent of Cost Under New Plan

ONUS ON PROVINCES

Federal Government Would Approve Principle Only and Leave Rest to Provinces

From Our Own Correspondent

OTTAWA.—Legislation providing for unemployment insurance is now being considered by the cabinet and is very likely to be one of the major items on the government's programme next session.

The legislation will bear little resemblance to the type of unemployment insurance which has been advocated in the past. According to present plans, it will not seek to create the machinery necessary for the administration of social insurance, nor will it attempt to declare the system of insurance to be adopted.

Will Approve Principle

The intention is to bring down Federal legislation approving unemployment insurance in principle and committing the national treasury to a definite percentage of the cost. In all likelihood certain wide conditions will be declared but these conditions will scarcely prevent a considerable latitude in the application of the principle.

The task of working out the policy in detail, of creating the administrative machinery, of determining the benefits and the contributions to be borne by the various parties concerned—in fact all the important phases of the matter will be left for each province to work out for itself.

25 Per Cent by Ottawa

The Dominion is unlikely to go further than to pass a law declaring that the treasury will contribute 25 per cent of the cost of any contributory unemployment insurance scheme organized and administered by any province.

This policy will be very similar to the old age pension system now in force, with the exception that Ottawa maintains an administrative branch for old age pensions and such a branch would be unnecessary for the proposed unemployment insurance scheme.

It would appear that the government does not expect to spend any money on the policy in the immediate future. It is believed that the provinces are already too deeply involved, financially, to take advantage of such a Federal law and that the statute will be inoperative for some years to come.

SOO LINE DEFERS PAYMENT ON STOCK

Holders of Leased Line Stock Form Protective Committee

From Our Own Correspondent

MONTREAL.—Holders of the Minneapolis, St. Paul and Sault Ste. Marie 4 per cent leased line stock certificates have formed a protective committee, following upon the inability of the company to pay semi-annual interest due on April 1 and October 1 last.

The American line, which is controlled by the Canadian Pacific Railway, issued these certificates in 1909. There are $11,256,400 of these certificates outstanding. They are secured by substantially all of the preferred stock of the Wisconsin Railway Co. which company has gone into receivership. The Soo Line was obligated to pay the $4 dividend or interest, but as far as can be ascertained the company did not guarantee payment.

DOMINION LOAN WELL RECEIVED SUITS MARKET

Market Support Planned —Dealers Think It Won't be Needed

1933 BONDS RISE

Selling Efforts Concentrated on 12-Year Bonds—Investors Get Rebates, Bonus, Choice of Bonds

Announcement of Canada's $225,000,000 conversion loan bearing 3½ and 4 per cent coupons, with yields of 3.75, 4.19 and 4.38 per cent for two-, six- and 12-year bonds, was greeted enthusiastically early this week. Applications were made for conversion of large blocks of bonds and dealers anticipated early success for the operation. Subscription books will be closed before Oct. 16, it is expected. Details conform closely to The Financial Post's forecasts, and prices are in line with current market quotations.

A safeguard to the success of the loan was seen in the offering of three maturities of short, medium and long term bonds. There is ample credit available for short term securities, and had the longer term bonds been slow, the loan would, nevertheless, have stood a good chance of success. However, the conversion has shown that this safeguard was not essential, although it has apparently helped materially.

The popularity of the loan contrasts sharply with the 1932 Dominion issue which sold slowly, and even then only with the alleged aid of Mr. Bennett who starred as a salesman for the bonds. Dealers got a smaller commission on the 1932 loan than on the present offering. As a result of the Government's greater concessions on the 1933 bonds, dealers are "sold" on the issue themselves. Strength in the bond market also helped the new loan whereas prices were weak at the time of the 1932 flotation.

Market support is definitely being planned for the new issue to ensure that it shall not drop below the issue price in the near future. Some previous Dominion loans have fallen in price shortly after issue, although all are now above their initial quotations. What steps are to be taken are not definite. Purchases were made by a central group in the case of war loans. There is expected to be a further reduction of the rate of interest on bank and other deposits, which would be expected to aid the bond market as a whole.

Bond dealers feel that early success of the loan will obviate need for market support; that the price of the bonds in the present firm, gilt-edged market will strengthen. It is thought, however, if support is needed, that buying orders may be placed through banks.

Sell 12-Year Issue

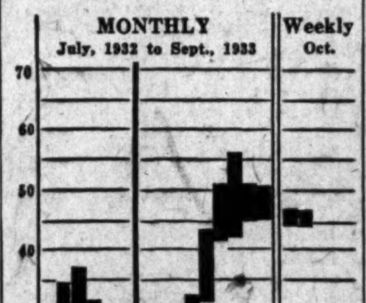
It appears that efforts have been centred on selling the 12-year bonds. The loan consists of conversion of some $170,000,000 of 5½ per cent Victory bonds, and raising about $55,000,000 of new money from investors. Of the latter sum, $40,000,000 is to pay off treasury bills issued to banks last May pending the present operation. So favorably was the offer on the Victory bonds viewed by dealers, that the bid price moved up from 100.20 on Oct. 7 to 100.40 on Oct. 10, the date of the official announcement. Dealers were buying the 1933 bonds themselves.

Evidence of the desire to sell as many 12-year bonds as possible may be seen in the offer of a premium of ¼ of one per cent for conversion into this issue before Oct. 16, or earlier, if subscription lists are closed. In addition, dealers are offered a commission of ¾ of one per cent on these bonds, compared with ⅝ on the six-year issue and ⅛ on the two-year bonds, al-

(Continued on page 2, col. 4)

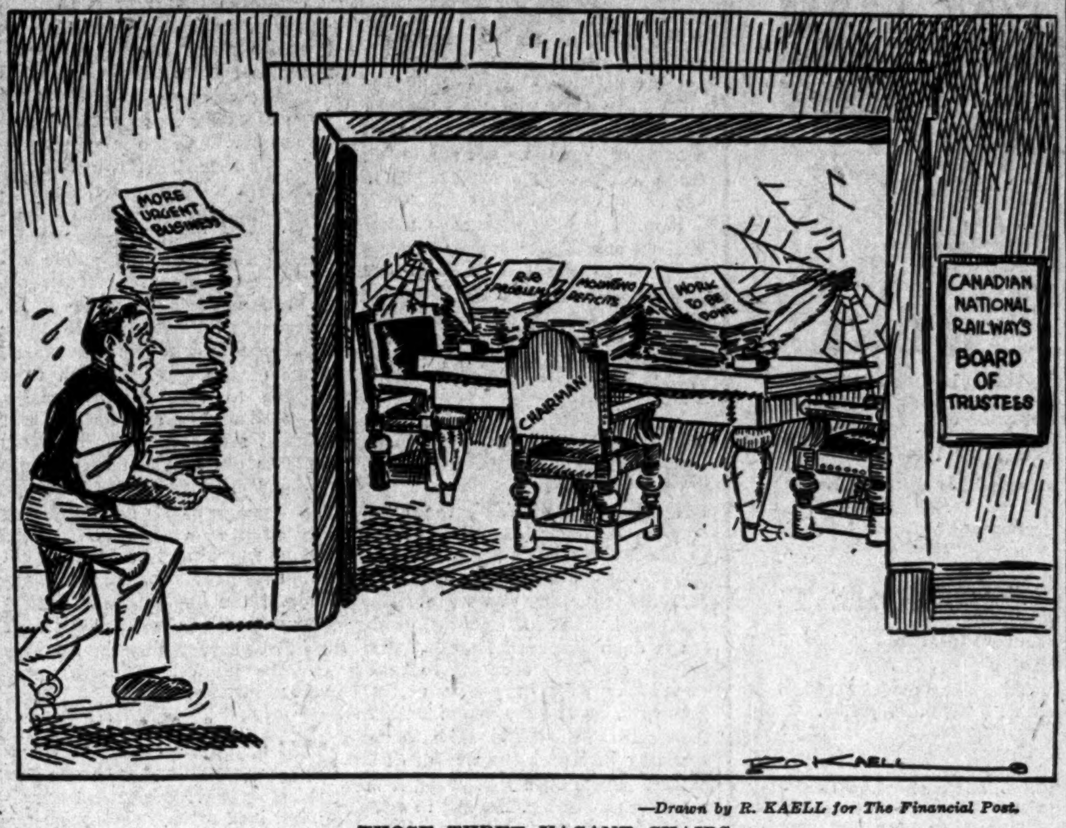
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Oct. 10	47.2	44.8
Week of Oct. 3	47.2	44.4
Month of October, 1932	31.4	27.4
10 Public Utilities		
Week of Oct. 10	50	49
Week of Oct. 3	51	49
Month of October, 1932	51	45
8 Bank Stocks		
Week of Oct. 10	178	176
Week of Oct. 3	181	178
Month of October, 1932	182	173



—*Drawn by R. KAELL for The Financial Post.*

THOSE THREE VACANT CHAIRS

Powell River Sells Newsprint for $30 In Retaliatory Move

Pacific Coast Producer Carries Fight Into Eastern Area

PRICE WAR FEARED

Prospects of Stabilized Mart Diminishing — Action by U. S. Government Possible

From Our Own Correspondent

MONTREAL.—Powell River Co., Pacific Coast newsprint producer, is understood to have entered into a contract to supply the Scripps-Howard newspapers in the Eastern United States with 20,000 tons of newsprint paper at a laid-down price of $30 a ton.

A report, for which there was no confirmation at the time of going to press, was that this paper would not be manufactured by Powell River Co., but that the company had let a contract to one of the Quebec producers.

Price Bros. & Co. and a mill at Three Rivers are both reported to have undertaken to produce this paper for Powell River Co.

The Pacific Coast producers' action in entering into a contract to supply newsprint in the Eastern area at prices well below those recently prevailing is said to be in retaliation of the entry of Mersey Paper into the Western United States territory which had always been considered the exclusive sales area of the coast producers.

May Start Price War

Great importance attaches to this latest development in the newsprint marketing situation. The action of Powell River may precipitate the price war which has been long expected.

During the past three years the amount of business available has not been sufficient to permit more than partial capacity operations of the newsprint mills in Canada and the United States.

Last year Canadian mills operated around 50 per cent of capacity The American mills did not do much better. Many mills have been closed down and production concentrated in the lower cost and more advantageously situated mills in order to cope with the unsatisfactory market conditions.

Price Threat Present

There has been the constant threat that some of the larger and harder pressed companies would go out after business irrespective of price, in order to fill their plants To do this substantial price concessions would have to be made as newsprint is sold on a price basis.

Efforts have been made by bankers and others to keep the operators in check, it being realized that an unrestricted price war would lead to a much more serious situation than at present exists.

Four Price Cuts Lately

Since the beginning of 1931 there have been 4 price cuts, the net selling price delivered in New York or Chicago dropping from about $57 to $40 a ton. The latter figure was established last April. This means that the newsprint mills in the Grand'Mère shipping area of Quebec, for example, are netting only $32.80 at the mill—a price lower than was prevailing in 1914.

No Stabilized Schedule

Since April attempts have been made to keep the price of newsprint around $40 a ton delivered in New York or Chicago. Several of the companies are reported to have shaded this price and it is more than likely that the majority of new business taken since that time has been at a price averaging not more than $38 a ton.

The retaliatory measure taken by Powell River Co. has cut the delivered price in the Eastern zone by roughly $8 a ton net delivered. For the Canadian companies in the Quebec area to give their custom-

(Continued on page 2, col. 4)

Dodge Will Accept United Steel Offer

Shareholders of Dodge Manufacturing Co. have agreed to the offer made for the company by United Steel Corp. and transfer of assets will be made to the latter company during the present month. Operations will continue under the present management, which reports that an improvement in business has been noted during the last three months.

It is stated that Dodge Manufacturing Co. will have three representatives on the board of United Steel Corp. but announcement as to who these representatives will be is being withheld at present.

Acceptance of the United Steel Corp. offer means that each preferred shareholder of Dodge Manufacturing Co. will receive one class A preferred share of United Steel Corp. on a share for share basis while for each five shares of Dodge common shareholders will receive one share of United Steel class A preferred.

MORATORIUM ON BURNS ENDS DECEMBER 1

Report Expected from Bondholders' Protective Committee

Capital reorganization of Burns & Co. is seen as a definite possibility in the near future as the period during which bondholders agreed to waive interest and sinking fund payments comes to a close on December 1. The protective committee, which has been acting for the bondholders since June, 1932, is expected to report to bondholders before Dec. 1 and at that time this committee must either recommend capital reorganization or an extension of the present arrangement which relieves the company of fixed charges. Arrears of interest on the $6,799,900 of 5½ per cent first mortgage bonds will then total some $779,000 and sinking fund will be in arrears practically two years. A meeting of bondholders will probably be called.

Operating position of the company during the current year has shown marked improvement; is better than in any year since 1929. Drastic economies in operation effected, reorganization of several branches of the business and an improved demand together with better prices, have placed the company in a much stronger position than it had when bondholders were asked early in 1932 to agree to postponment of bond interest and sinking fund payments until December 1, 1933. Working capital position has been substantially improved and liability on account of bank loans greatly reduced.

It would require, however, another year of high earnings such as was experienced in 1929 or 1928 to pay arrears of bond interest in full. The future is not regarded as certain enough for management even to contemplate such an eventuality in the next year or so. The protective committee for bondholders has been active since its formation and has been closely in touch with the company's affairs. This committee has wide powers and may enforce the security of the trust deed at any time or may prepare a plan of reorganization.

Highlights of the week

Events and Topics That Make News for Post Readers

The Tide of Things

W. H. Moore, in his new column of comment, writes on inflation as Russia practised it. Page 9.

Canada Bread Fight

The inside story of the stormy annual meeting of Canada Bread when the president was ousted and new directors appointed. Page 1.

Newsprint at $30

British Columbia producer retaliates on eastern newsprint firms by slashing price to new low price of $30 a ton. Page 1.

The State and Jobs

Ottawa plans to contribute to provincial unemployment insurance scheme, special dispatch reveals. Page 1 and "The Nation's Business" column discusses public works as a way to end unemployment. Page 1.

Canada's Dreyfus

E. C. Drury's Maclean's Magazine exposure of the politics in the famous Jarvis case is summarized for busy readers. Was Jarvis denied simple justice? Mr. Drury says "Yes." Page 9.

Denmark Wins

Why Danish bacon leads Canadian bacon on the British market told by J. K. Ross-Duggan. Page 9.

Bank Interest

Within a few months Canadians may only get two per cent on savings deposits. Negotiations for a second cut in the rate are under way. Page 1.

Conversion Loan

Market eager to take bonds as Government recruits dealer enthusiasm with higher commission. And the Dominion hopes to maintain prices for new bonds. Page 1.

Gasoline Probe

Last year parliamentarians at Ottawa probed gasoline prices in Canada. Now a new but different enquiry is planned. The story on Page 2 explains the scope of the new probe.

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BANK INTEREST MAY BE CUT EARLY IN '34

Savings Depositors Would Get But 2% From Banks

BANKERS WARY

Officials Hope Action Will Not Be Necessary—Affects 5,000,000 Depositors

Within the next six months — perhaps sooner—a further cut in the interest rate to savings depositors in Canada is probable, according to reliable information given The Financial Post. Such a cut would be ½ per cent and would bring the rate to lenders down to 2 per cent. The traditional rate of 3 per cent was slashed to 2½ per cent last May it will be remembered.

Bankers refuse to confirm the report although they admit that such a step may be necessary if the financial exigencies which caused the rate cut of last spring, continue. They maintain that such a step if taken, will be a last resort, since it might discourage saving, with serious results both to thrifty Canadian citizens and to the banks.

Nearly 5,000,000 Depositors

"It must be remembered," said a high official of one of the leading banks, "that the Canadian chartered banks have approximately 4,700,000 individual depositors who form the backbone of our banking system. On the other hand there are only 598,000 borrowers. This means that we have six lenders to every one borrower and although pressure is being brought to bear continually on the part of borrowers for lower interest rates, those who lend us money must be given every consideration. We would only reduce the rate again with the greatest of reluctance."

On the other hand The Financial Post learns that when the Macmillan Royal Commission on banking was investigating the financial situation in this country, Lord Macmillan expressed the opinion to the bankers that the rate paid to lenders in this country was higher than necessary. The viewpoint was challenged by Canadian bankers but nevertheless if the report when published should contain any such opinion, it would have a definite bearing on the future action of the banks.

It is unlikely that the cut will come before 1934, in the opinion of close observers. For one thing it will not be until December 31, that the semi-annual interest computation on the new 2½ per cent basis will be made. Bankers do not expect that they will hear much grumbling from depositors at that time but they feel that it would be politic to wait until the year-end is past before announcing any further change.

Think of It!

Canadians More Severely Taxed Than British

The Prime Minister and Mr. Ferguson, our London High Commissioner, frequently tell us how fortunate Canadian taxpayers are as compared with the Old Country. Mr. Bennett, on his return from England, told us we should be prepared to give our governments very much more to spend.

Our taxes now take over 35 per cent of our earnings. In the Old Country they are much higher. But the comparison is very unfair. As The Post explained a year or so ago, Canadians are busy building their homes, their farms, their factories and their trading connections. The Old Country completed these generations ago. When governments take such a large part of the incomes of Canadian farmers, workers and investors the latter will have less to spend on necessary home and business building, on improvements and on developments.

George Eyre-Todd, Glasgow, gives interesting evidence of this in The National Review. Dealing with the sale of farm after farm of the great but little known Montrose estate on Loch Lomond side, he says:

"It is not a little curious to discover how little some city folk are aware of the immense amount of thought and labor which for centuries have gone to the making of the rural countryside — soil and farm, parkland and woodland. That process is part of the silent domestic history of the country, of which little is heard, but from which much of the progress and prosperity of the nation has come . . . . It is seen at the present hour in the programme of every Scot who prospers in commerce or industry. No sooner does he find himself in the possession of means than he proceeds to buy an estate in the country, and to lavish upon its improvement the money it has taken so much effort and so many long years to earn. This is seldom perhaps a 'paying proposition,' but it is an excellent thing for the country, which thus, generation after generation gets waste land reclaimed, fields drained, woods planted, and farmhouses rebuilt, without cost to the community. One generation sees the wealthy man buy an estate, add farm after farm, develop its resources, and bring it to a high state of cultivation and amenity. Another generation may see his decendants dispose of it piecemeal to farmers and small owners; but the improvements remain."

The same condition exists in British commerce and industry. In addition, the British taxpayers have hundreds of millions of inherited incomes, only a small part of which do they need for their living expenses. Most of it goes into further investments. These conditions do not exist in Canada.

GUARANTEED
the best regular value in town

Eatonia
SHOTGUN SHELLS
Again we have subjected Eatonia shotgun shells to severe tests. Again they have proved their quality, power and reliability. You'll need a supply for your duck hunting.

SHOT SIZES BB AND 1 TO 7½
Box of 25 Standard Load $1.10
Box of 25 Heavy Load $1.20
Box of 100 Standard Load $4.25
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IVER JOHNSON SHOTGUNS
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Prices range from the single barrel, hammer model at $9.65 to double barrel hammerless models at $26.50 and $34.00.

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Made with double thickness throughout, extra shoulder thickness, corduroy-faced cuffs and collar, game pockets, shell pockets, etc. Pocket openings reinforced with leather. Price $6.75.
Same in single thickness. Price $5.25.
We carry a wide selection of guns, ammunition, clothing, etc.
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THE T. EATON Co LIMITED

Foundation Co. Secure Contract from Courtaulds

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada has been successful in securing the contract for the new building which Courtaulds (Canada) Ltd. are putting up at Cornwall in connection with an expansion programme involving an outlay of $2,500,000.

Work will be started immediately on the building which will be 500 feet long and 150 feet wide, two stories in height and of brick and steel construction. The addition will house 32 machines for the rayon process, increasing the production capacity of the Cornwall plant to 108 machines. A similar unit was opened in May, 1931, and the main plant was erected in 1926.

The addition, which should be finished next spring, will increase production capacity by 3,000,000 pounds of rayon yarn annually.

Known Income...
EXPERIENCES of the last four years have impressed upon investors the importance of holding investments on which they can depend for a steady and known income.
We believe that there will be a wide demand for the new
DOMINION OF CANADA 1933 REFUNDING LOAN
We urge all to take advantage of this sound investment opportunity, and to enter their applications for the new bonds immediately.
Whether you wish to convert maturing 1933 Victory Bonds, or purchase for cash, your order will receive our careful attention.
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A Perpetual Responsibility
THE foundations of the Canada Life are laid for continuous service to generations of policyholders and their beneficiaries.
Every year obligations to beneficiaries and old policyholders are discharged. Every year an army of new policyholders enlists the protective services of this Company.
The Canada Life paid last year to policyholders and beneficiaries $29,000,000, but it also added $12,000,000 to its total invested funds, increasing them to $216,000,000 to provide for future liabilities to policyholders.
Canada Life Assurance Company
Established 1847

The Nation's Business

(Continued from page One)

yet, is well told by J. K. Ross-Duggan in an article in this issue on Denmark's farm export methods.

* * *

IT WILL not be necessary to duplicate the Danish marketing machinery here. But there is work to be done under the leadership of governments, packers, railways and farmers' organizations, all of which do some useful educational work now.

One fact stands out for Canadians to ponder over—the Ottawa agreements gave us a sheltered market for 50,000 hogs a week and we are shipping scarcely more than a third of that yet. We are losing trade of probably $20,000,000 a year.

It costs the farmers even more. Had we a sufficient supply of hogs as good as the Danish hogs our bacon would sell at a similar price instead of at a slight discount from the Danish price. Almost all of the additional price would go to the farmers.

* * *

Public Works and Recovery

IN GREAT BRITAIN, the campaign to induce the government to undertake a large programme of public works in order to speed up recovery is gaining new vigor. The accepted leader of the public spenders is John Maynard Keynes. Mr. Keynes considers economy to have no proper part in public policy. Economy, he thinks, may increase the wealth of the individual but only spending increases the wealth of a nation. From such a premise, it is not difficult for Mr. Keynes to conclude that since individuals are today not undertaking expenditure on capital account, it is essential for governments to give leadership and to start the ball of business rolling by large public works programmes.

Mr. Keynes' campaign really goes back to the theory he enunciated in the famous two volume book on money he published a few years ago. In this book, he elaborated the view, which has since been accepted by many economists, that economic crises come at a time when the rate of savings by a nation exceeds the rate of investment in the means of production. Likewise, booms develop when the provision of new capital equipment proceeds at a much more rapid rate than that at which capital is being made available.

It may be that Mr. Keynes' theory as to the causation of business depression is thoroughly sound. But even in Great Britain, it is not completely accepted that governments are the only institutions capable of entering into large scale commitments of public works or that have the courage to do it.

* * *

SIR ARTHUR SALTER has contributed to the London Morning Post an article urging a modified programme of expenditure on public works to relieve unemployment. Sir Arthur does not contend that the expansion of public expenditure on national development is good at all times but he believes that in present circumstances, public expenditure would be a stimulus and a help to private enterprises, for temporary reasons which did not exist a few years ago and which would cease to exist if Great Britain entered a period of industrial expansion. Sir Arthur admits that debt reduction is a good thing but at the present point of the trade cycle he wonders if any reputable economist considers that now is the moment to attempt a positive reduction of public indebtedness by the restriction of most needed forms of national development.

The Morning Post put it up to that outstanding apostle of individualism, Sir Ernest Benn, to reply to Sir Arthur. Sir Ernest demonstrates that the politicians always consider "the present circumstances" suitable for extensive public expenditure and he even recalls the numerous League of Nations loans, promoted by Sir Arthur Salter when the latter was head of the economic branch of the league, which were designed to reconstruct Austria, Greece, Hungary and many other bankrupt states but which merely served to plunge them deeper into bankruptcy.

The essence of Sir Ernest Benn's reply is that money that is borrowed must be repaid and he feels that it would be a disaster of the first magnitude if the beginnings of enterprise noticeable in the building trade were to be arrested by the re-entry upon the market of extravagant local authorities.

* * *

THE argument continues vigorously in England with one side contending that government spending will lead private enterprise upward, while the other contends that any increase in the tax burden would delay the revival of business under the leadership of private enterprise.

In Canada, there are additional factors to consider. A great many of our politicians and newspaper editors continue to apply Mr. Keynes' suggestions to the Canadian situation. But even if Great Britain were in a position to carry out a large programme of government works it would not necessarily follow that Canada is in a position to do likewise. In fact, the reverse is certainly true. Our governments have over-extended their borrowings in the past. They have eaten their credit cake. In doing so they have created such a burden of taxation as to make business almost unprofitable. They have drawn upon the nation's accumulated supplies of private capital to pay current governmental expenses. In doing so, they have imposed high barriers against the development of new private enterprises. Our governments thus have not only used up their own borrowing power but they have in a large measure frustrated the application of the borrowing power of private individuals and corporations.

* * *

IT IS quite true that there must be a very large investment of new capital in Canada before we can have permanent recovery or anything approaching the nature of a boom. But where is that capital coming from? Since our governments cannot provide it except at the hazard of default, since they cannot easily borrow it abroad because of their excessive debts, it is necessary that we look to private enterprise to undertake the job of rebuilding and enlarging our productive equipment where such improvement or expansion is necessary.

A very large part of the capital that has financed our former periods of prosperity has been foreign capital. In the new industrial, public utility, and similar enterprises that will be promoted in Canada in the next few years, foreign capital will undoubtedly play an important rôle, but foreign capital can be induced to invest here only if we ensure its safety and provide it with a reasonable freedom from excessive taxation. To create such conditions, our governments must spend less money on current account, they must protect their credit by not overborrowing on capital account and they must at all costs reduce taxes. This would give encouragement to the investment of private funds, domestic and foreign, and at the same time enable the purchasing power of the people for the so-called consumers' goods to be increased.

To attempt to adapt the Keynes-Salter theories to Canada and to urge more and more spending by our governments is to ignore the facts of our case and to preach a most dangerous doctrine.

* * *

Feeding Inflation With More Inflation

DESPITE their initial setbacks advocates of currency inflation and other extremes are pressing their demands on Washington. The reason: initial stimulus of inflationary expectations has failed to sustain prices. So history repeats itself. Characteristic of inflation, and narcotics, early injections create a demand for more. The United States has reached the point at which inflation demands more inflation.

Because some markedly inflationary schemes are being fostered by Washington, if left to operate for a year or two, it is not improbable that prices, credit and industry might expand; even despite the NRA. Once addicted to the inflation drug, however, the United States, with its excitable mass psychology, may not be able to abstain until the full effects of the first "shot" are seen.

The New York Annalist puts it:

> "The basic fault of inflation is that it cannot be kept up indefinitely. And the longer it is continued, and the more violent the depreciation in the currency, the greater the trade reaction when the time for stabilization approaches."

There seems to be little danger of Canada being inveigled into the use of some of the inflationary narcotics to which Washington seems in the way of becoming addicted. The policy for intelligent Canadians should be to take a good look, and a long one, before agreeing with Washingtonian efforts to throw the dollar across the Potomac.

CAN. BAKERIES NET EARNINGS DROPPED IN YEAR

Maintained Liquid Position But Surplus Changed to Deficit

Though operating earnings of Canadian Bakeries only dropped in the difficult year ended August 31, 1933, to $42,238 from $59,647 earned in the preceding year, consideration of all other items brought the company's previous surplus of $10,260 down to a deficit of $28,396. Bond interest was paid during the year and some profit was taken into the account from buying bonds for sinking fund account at below par value. No dividends were paid.

Income and Surplus Account
(Years Ended August 31)

	1933 $	1932 $
Net earnings	42,238	59,647
Less: Depreciation	86,780	82,687
Bond interest	44,317	45,755
Add: Profit from red. of 1st mort. bonds	9,905	7,201
Profit on red. of 1st preferred	......	14,818
Net loss	78,954	46,776
Add: Prev. surplus	10,260	822
Trans. from bond s. f. reserve	......	61,500
Trans. from 1st pref. s. f. reserve	50,000	......
Less: B. C. income tax (prior years)	9,702	5,286
Surplus forward	*28,396	10,260

*Loss.

DOMINION LOAN WELL RECEIVED SUITS MARKET

(Continued from page 1)

though this would be a normal practice in any event. The commission on the long term issue is higher than in the case of other Dominion loans in recent years.

On all three maturities, investors are allowed to cash the coupon for Nov. 1 on their 5½ per cent bonds and also get interest from Oct. 15 on their new bonds. This extra fifteen days' interest on the 3½'s is worth $1.44 and on the four per cent bonds $1.64, per $1,000 bond. No accrued interest will be charged on bond conversions made up to Oct. 16.

Cash Rebates

Cash rebates are to be paid to investors converting their Victory bonds into the new issues to adjust prices. On the two-year 3½'s this will amount to $5 per $1,000 of bonds; on the six-year 4's it will be $10, and on the 12-year 4's, $37.50. The latter figure includes $2.50 extra allowance for conversion prior to Oct. 16. Where convenient, of course, these rebates may be used to make application for additional bonds under the cash subscription portion of the loan.

Banks vs. Dealers

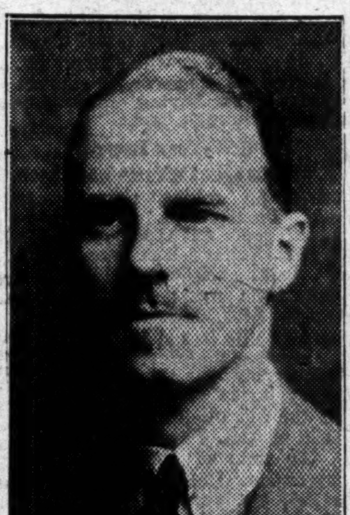
Banks have arranged to finance purchases on margin of 25 per cent of the purchase, charging 4½ per cent interest for loan of 75 per cent of subscription. This scheme was promoted by Mr. Bennett, it is understood. The rate is believed to be a compromise between a four per cent charge suggested by the Government and five per cent asked by banks. The loan is being managed chiefly from Ottawa, and not by a dealer group as on previous occasions.

Bond dealers are not particularly pleased with the plan for financing part purchases through banks at this low rate. It is felt that it adds to the banks' advantages in competing with dealers for sales. In previous Dominion loans, bond dealers felt that banks offended seriously by seeking this business aggressively.

Sun Life Largest Buyer

Largest single corporation purchase of the new issue was made by the Sun Life of Canada for $3,500,000. Imperial Oil subscribed $3,000,000.

Montreal Broker



J. A. RIDDELL

Partner in the newly formed stock brokerage firm of Macleod, Riddell Co. of Montreal.

POWELL RIVER SELLS NEWSPRINT FOR $30 IN RETALIATORY MOVE

(Continued from page 1)

ers a similar price, would mean a net return of $22.80 at the mill.

Sell Below Cost

There is no newsprint manufacturing company in Quebec and Ontario that can sell newsprint at that price without taking a loss even though operations were conducted on a capacity basis.

This is a fact well appreciated by the manufacturers and publishers. It makes little difference, however, as there is a general expectation that prices will move downward before the end of the year.

There is no indication at this time as to the extent to which manufacturers will go in their efforts to secure additional business or to hold that already in hand. Operators in the latter class will not let go any of their tonnage and will meet what new prices are established.

May Apply Dumping Law

An important factor in the current situation is the possibility of the United States Government taking action to prevent the dumping of newsprint in the American market. A gross return of $30 a ton on newsprint will not cover the cost of manufacture under existing conditions and it is understood that the Government will be asked, if it has not already been requested, to take action under the anti-dumping laws.

With many contracts up for renewal between now and the end of the year the publishers will seek to drive a hard bargain in view of their own unsatisfactory financial position. Those manufacturers determined on securing additional business will not lend their support to maintaining prices, so that the prospects of an open fight appear more than ordinarily likely at this time.

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NEW ANGLE OF GAS SALE TO BE PROBED

Combine Investigation to be Different to Last Year's Probe

By Staff Editor

OTTAWA.—Gasoline companies in Canada will be investigated from quite a different angle than that taken by the parliamentary committee last year, when F. A. McGregor brings his Combines Investigation Act into play in the next few weeks. Decision to invoke the act was made this week and announced by Hon. Wesley Gordon, Minister of Labor.

The probe comes as a result of the application of Mayor Croll and other municipal officers of Windsor, Ont., who were incensed by the rise in the price of gasoline which took place a few weeks ago.

The parliamentary probe of 1932 which came at the behest of western members of parliament was concerned almost exclusively with whether or not the price charged for gasoline in Canada was a "fair price" in relation to costs and company profits. The task before Mr. McGregor is to ascertain whether or not there exists in Canada any agreement among oil companies to control prices or markets, and if such agreement exists, whether it operates to the detriment of the consumer.

Although the extent of the present gasoline enquiry has not been officially announced it is believed that a very exhaustive enquiry will be made into every phase of the gasoline business in Canada.

It is well known that all the big gasoline companies in Canada maintain almost perfect unanimity in respect of lowering or raising prices. One big task that will face Mr. McGregor will be to ascertain whether this is merely a case of "follow-the-leader" or whether any written or secret agreement exists to cause this rather monotonous price policy affecting the sale of one of the most vital and important commodities used by the Canadian public.

Essex County Won't Default Says Treasurer; Meets Bonds

J. F. Millen treasurer of the county of Essex, Ont., has announced that the county will arrange to meet all maturing principal payments on debentures this year. "We are hard up, but we are not going to default," he stated.

Even if the county cannot pay some of its school accounts, it will not default, the treasurer has stated. He declared that if municipalities would pay county rates every school account could be paid. It was suggested that border municipalities should pay a portion of county rates in proportion to their tax collections.

The county's bank loan has been reduced to $108,000, it is understood. The county has made the last payment of $12,575 on a road debenture issue which matured in September and has paid $45,264 on October maturities, it is reported.

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Central Bank Laid at Door Of World Parley

From Our Own Correspondent

WINNIPEG.—Canada is to have a central bank. Premier Bennett, speaking in Winnipeg on October 10, indicated that formation of a central bank became a matter of governmental policy which was determined at the World Economic Conference when Canada agreed that there should be a central bank in every developed country as a means to bringing about a return of the gold standard. A central bank for Canada was therefore decided before the Royal Commission on Banking and Currency started its hearings.

Mr. Bennett emphasized the necessity of reducing fluctuations in exchange before international trade could be revived. The formation of a central bank would enable Canada to deal direct with the central banks of other countries and carry on exchange transactions direct rather than through New York.

Emphatic reference to the manner in which Canada is inevitably influenced by developments in the United States and a stated apprehension of repercussions in Canada should the United States resort to further inflation would indicate that there is slight possibility of Canada joining a sterling bloc, tied to a currency divorced from gold.

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Railway Matters to Fore With Many Developments

Running Trades Continue Negotiations With C. P. R. and C. N. R. Following Meeting With Cabinet— U. S. Passenger Rate Cut Sets Example — Steamship Conference Has Troubles

From Our Own Correspondent

MONTREAL.—Railway matters have been much to the fore during the past week. Further developments in connection with the wage dispute, reduction in American railroad passenger fare schedules and lack of agreement among the North Atlantic Conference steamship companies all have a bearing upon the Canadian Pacific or Canadian National Railways directly and indirectly.

Representatives of the railway employees and the companies continue in conference. During the past week-end a meeting was held with the Government at Ottawa. Following this meeting Prime Minister R. B. Bennett issued a statement to the effect that both parties realized the seriousness of the situation and that the Government had not undertaken to suggest either party the terms by which the dispute should be settled.

Will Resume Negotiations

The Federal Government urged upon the railways and the unions the necessity, in the national interest, of every effort being made to bring the negotiations to a successful conclusion. Both parties have agreed to resume negotiations seeking a peaceful compromise and thus avoid the possibility of a strike.

Members of the running trades of the Canadian National and Canadian Pacific Railways have rejected in no uncertain manner a proposed 10 per cent reduction below the rate of pay agreed upon a year ago when they took a 10 per cent reduction on the basic rates. Application was made to the Dominion Government for a board of conciliation. This board decided against the employees, though the representative of the men disagreed with the majority report. Following this a vote was taken among the union members who authorized their leaders to call a strike rather than submit to the reduction.

Passenger Rate Question

For several years past the volume of passenger traffic and revenues of the two major Canadian railways systems have steadily declined. This is attributed to a variety of reasons, chief of which is the growing use of the automobile for traveling short distances.

Several expedients have been tried out by the railways in this country and the United States in an effort to restore the volume of passenger traffic with only partial success. Last week the Western Railway Executives' Association met in Chicago and voted on a sharp reduction in passenger fares as an experiment in increasing their business. For a six months period beginning with December 1, the association voted to reduce the one-way rail transportation rates from 3 6/10 cents a mile to 3 cents. The maximum Canadian one-way rate is 3.45 cents per mile. The Western railway executives also agreed upon a 2½ cent a mile round trip rate, compared with Canada's 10 per cent less than two one-way charges. The roads also are permitted to make a round-trip rate of two cents a mile within a 10-day limit, such tickets to be honored in all classes of equipment.

Experiments in Canada

The Canadian railways have experimented with various short rates over the past year with a varying degree of success. Special week-end trips have been operated from the larger centres. Considerable business has resulted, but this type of traffic is sporadic.

Eastern Railway Executives' Association will meet in New York on October 10 to discuss the advisability of following in the footsteps of the Western railroads. In each case representatives of the Canadian National and Canadian Pacific Railways hold watching briefs. There has been no indication of a general revision of passenger rates on Canadian lines. It is more than likely that the C. N. R. and C. P. R. will await results of the American experiment before adopting a similar schedule.

A third development over the past week has to do with the North Atlantic Conference and is of direct concern to the Canadian Pacific which operates one of the largest steamship lines on the Atlantic.

For some time there has been a threat of a rate war among the Atlantic passenger lines. Several meetings of the Atlantic Shipping Conference have been held in London with a view to settling disagreements. The main breech is over the development of cabin class liners, some members holding that the best accommodation in these ships and for the first-class in express liners should be limited.

Delegates have not been able to come to an agreement and a cable despatch from London over the week-end stated representatives of the United States Lines, the French Line and the Canadian Pacific Steamships threatened to withdraw from the conference.

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B. C. SALMON PACK 100,000 CASES UP, MARKET STEADY

Profits Probably Down Because of High Prices Paid Fishermen

From Our Own Correspondent

VANCOUVER.—British Columbia's salmon pack is already nearly 100,000 cases larger than last year's and while packers' profits will probably be down owing to the high price paid to fishermen, the marketing of the pack has so far been steady.

Although this is an off year for pinks, the pack of this variety has been large. More than 500,000 cases of pinks have already been packed, as compared with about 250,000 cases for the corresponding period last year, when a big run was anticipated. The larger catch this year is due to seining in the Gulf of Georgia, permitted by the federal government for canning purposes this year, and increased runs on the Nass and Skeena rivers in the north.

Russia Lets Japs Go

At September 23 the total pack of salmon totalled 1,037,015 cases.

Owing to changes in the situation across the Atlantic, the extent of Japanese competition in world markets, usually an important factor, is so far unknown. Many floating canneries have been operating this season in Japanese and Siberian waters and their pack is still uncertain. The Russian canning situation has been thrown into confusion by the Soviet's action in releasing some 2,500 Japanese previously engaged as fishermen.

The new trade treaty with France authorizes the export of 74,667 quintals, or about 220,000 cases, in the fourteen-month period ending December 1, 1934. This represents only about 60 per cent of the imports of B.C. canned salmon by France during the peak years under the new arrangement, taking 28,000 cases or 10 per cent of the total allotment for the 14 months' period. France, however, is expected to absorb a fairly large proportion of the cheaper grades, such as pinks and chums. The Canadian market now takes a large proportion of the pink pack and while better prices are obtained the net results are little different so far as the packers are concerned because salmon for the Canadian market has to be held in storage for the winter trade.

Sales to the Empire markets—United Kingdom, Australia, New Zealand and South Africa—have so far been up to expectations.

PRESIDENT IS OUSTED FROM CANADA BREAD FOUR NEW DIRECTORS

(Continued from page 1)

ations since that time was such that he felt an auditor should question the value of such an old appraisal. Shareholders could not under the circumstances guess the real present value of plant and equipment. He did not ask for a valuation of plant and equipment every few years but he did feel that ten years was far too long to go.

Mr. Taylor also felt that it was wrong to show marketable securities at cost in the current assets as they could only be current at market value. The mere fact that a note showed the market value was not enough; such a way of doing things was apt to give uninstructed shareholders a false idea of the company's strength. On the other hand they showed investments in and advances to subsidiary at $531,472 as an asset whereas the book value was $293,300. There again there was a countervailing item of $275,000 as depreciation reserve against this item but it was not making things simple for the shareholder.

Goodwill "Outlandish"

Mr. Taylor also gave it as his opinion that an amount of $2,354,634 for goodwill was "outlandish." Especially in a time like this when unemployment was rife and the bakery business was the theatre of intense competition, goodwill should be valued at $1. He thought it a disgrace for any company whose securities went into the hands of the public to over-value an asset of that kind so extravagantly. Such an item fooled nobody but the directors and some of the ignorant shareholders.

Mr. Taylor asked Mr. Nash's opinion who said the item had been passed by a well-known firm of auditors as proper. Mr. Taylor strongly dissented from such an item being called proper.

Guarantee Under Fire

The guarantee of $232,000 bank loans to a subsidiary company in Montreal, Mr. Taylor thought, should enter into the current liabilities to some extent. It appeared only as a note to the balance sheet but if it were a real liability, and one likely to be enforced, it should appear in the balance sheet in some way. Not a single dollar from this liability was shown in the balance sheet but so far as the shareholder was concerned he could not tell whether there was imminent danger of this becoming an actual liability or not. By such a method the company might have to pay the whole thing and it could cover up the transaction without the shareholders being any the wiser.

Quotes Labor Dept. Finding

Mr. Taylor also quoted from a report on the bread industry, prepared under the late Minister of Labor, Hon. G. D. Robertson, to the effect that the interlocking interests of Canada Bread and Maple Leaf Milling Co. had not been of advantage to the bread company and that some smaller companies, which had to buy from month to month, had been able to buy flour at a cheaper rate than Canada Bread. As the owner of some first preferred shares he was interested in the fact that his dividends might be interfered with by the parent company which might want to create larger reserves which later would be useful for dividends on second preference [illegible] common stock where the Maple Leaf Milling investment lay. Both preference stocks were non-cumulative and there was real need for the interests of the first preferred to be watched by someone very much interested. He therefore thought he had the right to find out how much interested the directors were in his stock.

McConnell and Gooderham

Mr. Taylor then asked the chairman, Mr. Gooderham, who represented the first preference shareholders. Mr. Gooderham replied that he did. On being questioned as to how many shares he held the chairman said, "One share." Mr. Taylor declared that in his opinion this was entirely inadequate representation; it appeared to him that the chairman had only obtained enough shares to qualify. While the chairman had only one share to justify his representing the first preferred shareholders there were shareholders present holding more than 100 shares.

On pressure from Mr. Taylor for further details as to shares held by members of the board of directors, he was informed that Dr. McConnell, who represented the "B" shareholders only had one share of "B" preference stock.

To his questions as to salaries paid to members of the executive during the preceding year, Mr. Gooderham said that his salary had been reduced to $4,000, Dr. McConnell received $2,000 and others $500 each.

Wanted Postponement

Mr. Taylor expressed regret that the directors did not see fit to give him information as to shares held by all the directors. It could have been obtained in a few minutes. He himself had bought a few preferred shares when the company was doing a flourishing business. He felt that there had been some want of management or capacity somewhere and he felt that it was the duty for shareholders to investigate.

At this point there was motion for adjournment. Mr. Taylor suggested that the motion should be changed to one that the meeting should be postponed for a month and that in the meantime there should be a special general meeting of shareholders at which there could be a larger attendance and all matters affecting management and control gone into more closely. This motion was declared out of order and an appeal was made to the meeting and when the vote was called there was a show of hands, and the motion was defeated by about 20 to 15 votes.

Announces Deposition

The financial statement was then passed and Mr. Gooderham made the following statement:

"I was elected by the preference shareholders as their representative on the board of directors, and after serving your interests as well as was humanly possible fear that this is the last time I shall have the privilege of presiding at your annual meeting. There are certain statements and explanations that I wish to make.

"The reason for my fear is that the secret order has gone out from the directors of Maple Leaf, the largest holders of common stock (the majority) that they wish to elect a board of directors to Canada Bread that will be their nominees. So they have decided to interfere and propose to replace the present directors and appoint Maple Leaf nominees only.

"There are 12,500 shares of 1st preference A, 25,000 shares of 2nd preference B and 200,000 shares of common. When A and B shares have not received dividends for two years then A and B have full voting rights. Until that time A and B have only the right to elect three directors.

"Now the real investors in this company are:

1. Bond Holders
2. A Preferred
3. B Preferred.

"Only these three classes have contributed money to the exchequer of the company.

"If common holders exercised their voting privilege even when A and B have full voting rights, they can always outvote A and B.

"It behooves us as holders of A and B shares to be thoroughly alert, and the moment either A or B fail to receive dividends for two years, A and B should move in the courts for a reorganization, cut out the voting and dividend rights of common, and take full possession of the Canada Bread Company protecting the bondholders.

"This last year's operations have been a lamentable year: we have made less money than in 1932, and the position is due less to bread conditions than to the poor management that we are having in Canada Bread. I wish to register my dissatisfaction with the management of Canada Bread. I feel and know that our management is most hopelessly out of date when compared with the management of other companies of similar size, and moreover I feel that the management so plays into the hands of Maple Leaf management that it is very difficult to handle our manager and to make him adopt modern methods. He always feels that there is a court of appeal over the heads of his directors.

Refused Investigation

"Here is an example of my experience during the year just closed: I proposed a thorough examination of our business by our own staff, using as advisor one business expert who was familiar with such investigation, but the manager did not see the advantages to be gained and in his opposition was backed up by directors Nash, Symington and Band, three Maple Leaf directors and Dr. McConnell. In order to assure myself of the value of such an investigation, I went to those who were acquainted with the method involved, also consulted our auditor, even induced Messrs. Nash & McConnell, two of our directors, to go to New York with me and consult the most outstanding accountants in America. Nash and McConnell were impressed greatly but just did not have the nerve to help me initiate such investigation. This method was ultimately bitterly opposed by Mr. Nash who succeeded in shelving the proposition.

Advocates Contracting Out

"Another experience I had during the past year was as follows: I obtained a report from our accountant showing that in our country deliveries this company was losing at least $100,000 a year. I journeyed to visit two U. S. A. bakeries of equal size with ours, and found that they, after experimenting with country delivery, had adopted a plan of contracting out country deliveries and now operate them at a considerable profit.

"Without any study of the costs or conditions of this matter, the general manager stated that he would not consider changing our method of country delivery. Mr. Nash then agreed to employ Clarkson & Co. to investigate and analyze this branch of our activities but although he has been working at it for four months has not given any report, though our own accountant, Mr. Antliff, was able to give me in a week or so the figures referred to, and which I am sure are sufficiently accurate to warrant our correcting this huge loss. I should explain that losses in country deliveries are merely lumped into our branch operations and there hidden from view.

Says Methods Faulty

"Again, I felt convinced from what I knew that we should have an investigation of our plants to ascertain if our plants were sufficiently mechanized and modern to operate economically. After considerable effort it became necessary for me to bring the leading baking engineer in America to Toronto as my personal guest and at my personal expense to discuss with some of our directors and management the question of our methods. This expert came and in 15 or 20 minutes showed us our faulty methods, things in our operating that should have been disclosed to the directors by our management as follows:

1. Country deliveries
2. Bread production
3. Ingredients control.

"These are the outstanding things criticized by him.

"Eighty dollars per day is conservatively stated would be our saving in Avenue Road plant alone if modern bread room were installed.

Suggested Departmentalization

"Again, I wanted the management to introduce a system of executive control bringing into head office three or four of our best men from our plants, and deputing to them department activities, but in this I have been opposed by the general manager, Mr. Nash, Mr. Band and Dr. McConnell. I am thoroughly convinced that we must departmentalize. Any one of 3 or 4 sets of duties will employ one man exclusively. I have pressed for this change, but our general manager, Mr. Nash and Mr. Band have opposed me.

"This company is in a very dangerous condition owing to the out-of-date methods of the general manager, who is a fine honest man, but utterly out-of-date, and because the company and management are dominated by Maple Leaf control, who are, in my estimation, unfit to guide this company's destinies; their failure to make a success of Maple Leaf Milling Company is sufficient evidence of the lack of ability. It behooves the shareholders of this company to look into this state of affairs very carefully before submitting to an election whereby the Maple Leaf will be more in the saddle than before."

Of 200,000 common shares outstanding 130,000 shares were represented and of these Maple Leaf Milling Co. held 101,000 shares.

Mr. Gooderham stated later on that his suggestion for Canada Bread's own staff to conduct an investigation into its affairs came as a result of placing the situation before one of the most successful business doctors in the United States, a man who had had signal success in rejuvenating business by mobilizing the unused and sometimes unsuspected experience and ability that exist in every business organization from the low-paid workers to the highest. His other suggestions were the result of study of methods of the most successful companies in the United States operating under conditions similar to Canada Bread.

On further inquiry The Financial Post learns that Mr. Gooderham made a counter-proposal to some of the directors of Maple Leaf Milling Co. that there should be appointed independent men who would support him in his programme, and that he promised to retire on Feb. 1, 1934, after a fair trial was given to the various improvements he desired to see effected. This suggestion was not concurred in.

Mr. Gooderham states to The Financial Post that his various recommendations started with the idea that there were only two uncontrollable factors in Canada Bread's affairs; the cost of flour and the price of bread. He felt that receipts for bread should have deducted from them interest and reasonable dividends and that money remaining should be made to cover all other expenses and that the latter should be pared wherever possible. His suggestions with regard to country deliveries had been made after considering the experience of Hathaway's, of Boston, which was a company similar in size to Canada Bread but making a success and paying dividends. He felt that the country deliveries totalled up a colossal loss for Canada Bread and if contracting out would bring profits as it had for Hathaway's, at Boston, and Cushman's at Portland, it should be studied intensively.

The third of a series of advertisements in which are restated the basic principles which guide our trust work.

TRUST SERVICE IS INDIVIDUAL . . And Personal

Fidelity to TRUST

Trust service is an individual matter patterned to suit individual needs. Its wide public acceptance is due in a large measure to its flexibility in meeting the varied requirements of different men, different families, different situations. The goal is often the same—utmost financial protection for the family. The method of attaining this goal varies to meet individual needs.

Trust service is not only individual—but very personal in its relationships. It combines financial responsibilities with very human personal responsibilities. After all, the financial phase of family affairs is only a means to further the health, happiness and success of its individual members.

It is always our first duty to carry out the wishes of the man or woman who creates a trust. But accompanying this we always seek to develop cordial, sympathetic, and understanding relationships with the beneficiaries of the trust. In many instances we become a "counsellor" member of the family in helping to solve problems that arise.

These contacts are, by their very nature, completely confidential. They are as private as our own personal affairs—and treated accordingly. We handle each, and every trust transaction in the same personal and confidential manner.

Crown Trust Company
William I. Gear, President John Jenkins, Vice-President
Arthur Lyman, Vice-President Irving P. Rexford, Gen. Manager
393 St. James Street - - Montreal

Jenkins Bros. Announce New Sales Appointments

From Our Own Correspondent

MONTREAL.—Jenkins Bros., manufacturers of valves, announce the appointment of Herbert H. Gee to the position of director of sales. Mr. Gee has been connected with the company for the past 25 years and in 1931 was elected a director.

Another appointment made by the company is the promotion of Elliott M. Hulbert to be manager of sales for Ontario succeeding Mr. Gee.

IMPORTANT Announcement to Mining Investors See page 16

AFTER John Tenniel

It takes all the Running you can do to keep in the same place
—Said the Red Queen.

Out of the pages of "Alice in Wonderland" comes this topsy turvy saying of the Red Queen.

But is it topsy turvy?

No one knows better than the manufacturer that he "must keep running to stay in the same place and if he wants to get anywhere else he must run twice as fast." In other words, it takes more effort just to break even these days than it did four years ago. To make real progress requires every resource the manufacturer can employ.

Ask yourself if "Cellophane" packaging — already responsible for sales increases of from 50% to 400% —is not the answer to the problem of maintaining or increasing sales. For the sparkling transparency of "Cellophane" protects as well as displays and emphasizes every point of quality in your product—awakens customer attention—stimulates buying impulse—and sells your product as it never sold before.

See your product wrapped in "Cellophane" at our expense. Send a sample of some item in need of revitalizing to our distributors, Wm. B. Stewart & Sons Ltd., Toronto or Montreal, to be wrapped in "Cellophane" and returned to you with estimates and full information for your consideration.

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Quality Products of
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A Canadian corporation operating Canada's largest fresh food delivery system
MANUFACTURERS AND DISTRIBUTORS OF
Fleischmann's Bakery Products . Fleischmann's Yeast for Health . Magic Baking Powder . Gillett's Lye . Royal Yeast Cakes . Chase & Sanborn's Tea and Coffee

Utilities and Transportation

OTTAWA ELECTRIC REDEEMS BONDS MATURITY DATE

Ottawa Power Subsidiary Replaces Issue With Other Bonds

From Our Own Correspondent

MONTREAL. — Ottawa Electric Co., controlled by Ottawa Light, Heat and Power Co., retired $625,000 of its 5 per cent refunding and mortgage bonds when they matured on June 1 last.

This transaction was effected without the necessity of carrying out any additional financing. About 1926 Ottawa Electric created an issue of $3,807,500 of 5 per cent general and refunding bonds, of which $3,182,500 were deposited by the parent company as security for its own refunding and collateral trust bonds. The balance of $625,000 was reserved to retire a similar amount of the first and refunding mortgage bonds when they fell due at the beginning of last June.

Courts Dismiss Lawsuit

At the beginning of the current month the courts dismissed with costs the lawsuit entered by the City of Ottawa against the company for damages arising out of a sewer explosion. An appeal has been entered, however, by the city.

It will be recalled that at the end of January, 1931, an explosion occurred in the Ottawa sewers. No lives were lost, nor were there any serious injuries to persons, and only minor damage was done to the gas distribution system. The city of Ottawa alleged negligence on the part of the Ottawa Gas Co., Ottawa Light, Heat and Power Co.'s subsidiary, and on October 27, 1931 commenced an action in the courts to recover a sum of $376,365. Ottawa Gas Co. denied all responsibility and was upheld by the courts.

WPG. ELECTRIC REPORTS DEFICIT IN EIGHT MONTHS

Income Insufficient to Take Care of Charges—Surplus Last Year

From Our Own Correspondent

MONTREAL.—Further losses on operations are reported by Winnipeg Electric Co., whose income account for August last shows a deficit after interest and other senior charges, of $47,360 compared with $40,596 for the same month last year.

Gross income in August, 1933, amounted to $368,167, a drop of $34,975 from the same month in 1932. Operating expenses, including depreciation charges were lowered by $25,480 to $305,562, leaving net earnings from operations at $62,604 compared with $72,090 in August, 1932.

Taxes for the month show an increase of $1,979 to $25,565, while interest and other fixed charges were $760 less at $84,389. After providing for all of these charges, there was a deficit of $47,350 on the month's operations.

Deficit After Surplus

Returns for the first eight months of the current year are disappointing. Gross revenue totalled $3,416,314, or $320,390 less than for the corresponding period of last year.

Operating expenses were brought down $188,373 to $2,585,446, leaving net earnings of $830,866 as against $962,884 in the first eight months of 1932.

Taxes for the January-August period of 1933 totalled $225,184 and interest and other fixed charges $676,388, leaving a deficit of $70,704 in the period. During the same months of 1932 taxes totalled $232,248 and interest charges $675,257, leaving a surplus of $55,378.

Working on Reorganization

Plans are being pushed forward for the reorganization of Winnipeg Electric and its subsidiaries—Manitoba Power and Northwestern Power Co. A subcommittee of bondholders is looking into the situation and will report back to the bondholders' protective committee. Considerable investigatory work is involved, but it is anticipated that a report will be submitted to the bondholders before the end of the year.

Northwestern Power Meeting Again Postponed

From Our Own Correspondent

MONTREAL.—Northwestern Power Co.'s bondholders' meeting, called to deal with the question of reorganization following the default of bond interest, has been adjourned until January 4.

The meeting was told by J. B. Woodyatt, chairman, that sub-committees representing the bondholders of Northwestern Power, Winnipeg Electric and Manitoba Power were at present considering the relative position of the company with a view to final reorganization.

Power Corp. of Canada Improves Balance Sheet During Last Fiscal Year

Earnings Are Insufficient to Cover Preferred Dividends

DEFLATE COMMON

Market Value of Securities Shows Gain Over That Reported a Year Ago

From Our Own Correspondent

MONTREAL—Net earnings insufficient to cover preferred dividend requirements; an improvement in the market value of the company's investment portfolio; loss of $738,481 on sale of securities; elimination of bank loans totalling $828,562; and a reduction of $435,000 in funded debt, are some of the features of Power Corp. of Canada's financial statement for the twelve months ended June 30 last compared with the preceding year.

The past year was not a particularly good one for the company, which controls several important power producing properties and has a substantial interest in a number of others located in Quebec, Ontario, Manitoba, Alberta and British Columbia. The demand for the company's engineering services was at a minimum. Income from investments dropped owing to a variety of reasons, principally because of the smaller receipts from investments.

Income at Low Point

Gross revenues during the past year amounted to $1,485,341. This compares with $1,929,473 in the previous year. Operating expenses were reduced, leaving net earnings at $317,114, or about $117,000 less than in 1932. Particulars of the income account for the past two years follow:

	1932 $	1933 $
Gross earnings	1,929,473	1,485,341
Loss on securities ...	1,043,998	738,481
	885,475	746,860
Less: Expense	426,805	311,785
Interest	828,556	623,160
Taxes	7,851	5,329
Net profit	*377,737	*193,414
Less: 1st pfd. divds...	300,000	300,000
2nd pfd. divds.	300,000	300,000
Common divds.	743,443	......
Balance	*1,721,180	*793,414
Brought forward	3,531,562	†1,805,700
Carried forward	1,810,382	1,012,286

*Deficit.
†Adjusted.

Clear Off Bank Loans

The management continues its policy of failing to provide the shareholders with any particulars of its investments or advances to affiliated companies. At the end of last June the balance sheet showed a small amount of current liabilities. Bank loans were cleared off; while notes payable by affiliated companies shown in the 1932 report, were eliminated shortly after the year ended.

Reduce Issued Bonds

The amount of Series A debentures issued was reduced during the year from $2,414,700 to $2,276,200, while the Series B debentures were reduced from $9,475,000 to $9,178,500.

Stock Value Slashed

No change has taken place in the amount of preferred stock outstanding. The book value of the common shares has undergone a material change, being reduced from $17,973,375 to $5,000,000. Shareholders approved of this action on August 25 last in order to permit the company to use the difference in writing down the capital to a point more closely reflecting the value of assets.

On the asset side of the balance sheet, a feature of the current accounts is an item of $150,000, being a guaranteed demand loan receivable. There are no particulars regarding this item.

Changes in Investments

Investments are carried on the books at $40,293,809, down from $43,170,355 at the end of June, 1932. Bonds, stocks and advances to controlled and affiliated companies stand on the books at $25,498,230, or about $1,000,000 less than a year ago. Other investments have declined in book value from $16,635,538 to $14,795,578.

The market or estimated fair value of these investments at the end of last June was $25,282,296 compared with $21,386,495 for the larger amount of investments at the close of the previous fiscal year.

Write Down Book Value

The writing down of the value of the common stock enabled the company to use in the reduction in paid-up capital, amounting to $12,973,375, to write down investments to $27,320,434. The latter figure is roughly $2,000,000 greater than the market or fair estimated value of investments.

Operations Are Smaller

In the combined statement of operations of affiliated companies—B. C. Power Corp., Canada Northern Power, East Kootenay Power, Manitoba Power, Northwestern Power, Northern B. C. Power, Southern Canada Power and Winnipeg Electric—gross earnings in the fiscal year ended June 30, 1933, totalled $26,232,873, or about $2,650,000 less than in the previous year. Net earnings for the same period dropped nearly $1,000,000; kilowatt hours of energy generated were off about 140,000,000; while the h.p. installation remained the same.

Electric Power For Siscoe Looms

From Our Own Correspondent

MONTREAL. — Electric power for the Cadillac-Siscoe area of Quebec assumes new importance with B. V. Harrison, vice-president and general manager of the Canada Northern Power Corp. presently making a survey of the district and the mines to ascertain their requirements.

For some time the power company has been watching the mining developments of the area but now that Siscoe Gold Mines is treating over 300 tons daily and O'Brien-Cadillac is increasing its mill capacity the importance of cheap power becomes more pressing.

SEND POWER LINES INTO BRIDGE RIVER TO AID MINING

B. C. Electric Will Add Substantial Unit to Serve Mining Area

From Our Own Correspondent

VANCOUVER. — B. C. Power Corporation (B. C. Electric) has decided to extend its power lines into the Bridge River country, scene of extensive gold mining development, and engineers are now working on plans to provide electricity for mining companies which in the past have depended on gasoline and internal combustion engines.

The project will not only add a substantial unit to the power facilities of the B. C. Electric, but it will mark an important step in the development of the Bridge River mining area, as lack of power has been one of the few serious obstacles to progress experienced in that district.

Build Bridge River Plant

Construction of a 4,600-horsepower plant at the town of Bridge River on Seton Lake will be proceeded with, and transmission lines will extend fifty miles into the mining area, according to President W. G. Murrin. The cost of the project will run into several hundred thousand dollars.

The plant will use the two and a half mile tunnel constructed in connection with the company's projected 600,000 horsepower plant on Seton Lake. For eight months of the year the river will be sufficiently high to flow into the tunnel. A 200 horsepower motor will drive the pump.

Will Be Storage Reservoir

The two and a half mile tunnel is fourteen feet in diameter and lined with concrete throughout. Designed to supply water for a 216,000 horsepower plant, it has such ample capacity that it will act as a storage reservoir for the proposed plant, providing water for the peak hours of demand. When the tunnel was built provision was made for taking off a comparatively small quantity of water, apart from the main supply. Fabrication of materials will occupy the company's staff of workers during the next few weeks. Owing to weather conditions, transmission lines will not be installed until spring.

Southern Alberta Harvests Record Sugar Beet Crop

From Our Own Correspondent

LETHBRIDGE, Alta. — Sugar from Southern Alberta's record crop of beets now being harvested—the yield from the 13,500 acres seeded is estimated at 150,000 tons—will go into the new bulk storage bins erected by Canadian Sugar Factories, Ltd., at their Raymond, Alta., factory. This is the first installation of its kind in Canada and the second on the American continent.

Three concrete "sugar elevators" standing 120 feet high are receiving refined loose sugar from the nearby factory by screw conveyors and this, as needed, is returned back to the packing room where it is bagged for the trade. Heretofore, the sugar has been bagged in 100's then rehandled as required. The elevators will prove a decided time and money saver.

Public Utility Earnings

Winnipeg Electric

August:	1933 $	1932 $	Decrease $
Gross earn. ..	368,167	403,148	34,976
Oper. exps. ..	285,621	313,016	27,395
Net earn.	82,546	90,127	7,581
Eight Months end. Aug. 31:			
Gross earn. ..	3,416,315	3,736,704	320,389
Oper. exps. ..	2,446,577	2,641,484	194,907
Net earn.	969,738	1,095,220	125,482

Political Friction Lessens As Brazil Outlook Improves

Government Makes Well Regarded Political Appointments—Brazilian Dividends in Cash Must Await Resumption of Unrestricted Bond Interest and Commercial Payments

Although holders of Brazilian Traction, Light & Power Co. common stock would not be justified under present conditions in expecting cash dividends on a permanent basis for a considerable time, the improving internal conditions may eventually increase the ability of Brazil to take care of its external obligations and to maintain exchange while doing so. In addition to the favorable factors mentioned in the last issue of The Financial Post, there comes definite corroboration of increasing purchasing power internally and of a lessening of political friction.

New Appointments Popular

It is a real factor of importance in Brazil's rehabilitation that late reports should stress that there has been a decided lessening of the under current of ill feeling which produced the rebellion in July, 1932. The various states of Brazil are ruled over by a governor or state president elected locally and with constitutional powers apart from the central government. But since the successful revolution of October, 1913, when Dr. Vargas became provisional president and virtually dictator no state president was appointed. The central government sent its own representatives as interventors. Most of these interventors were military men and not natives of the states over which they were to govern. Naturally every act of government or political appointment by them led to bad feelings for this reason. The demand for an election has been very strong.

However, early in September the government at Rio de Janeiro appointed a new interventor for the state of San Paulo, a Dr. Armando De Salis Oliviera Paulista with great political influence in San Paulo. Great satisfaction has been expressed in San Paulo because of this appointment and it is reported that all political parties in that state are showing a disposition to help the Federal Government in its efforts to straighten out the affairs of the republic. Those who talked of the possibility of further revolutionary outbreaks now speak as though the political outlook has changed considerably for the better.

The Government has also been able to make payments for the surpluses of the San Paulo coffee crops of 1931 and 1932. This has increased purchasing power in the state considerably and has led to a better feeling in trade and coffee circles generally. France and the United States are making an increased demand for coffee and in July last the average exports of 1,000,000 bags per month went up to 1,583,858 bags. Though the current crop has been a large one it turns out now that it was not quite so great as was expected and it is clearly predicted that by the end of the current coffee year, June, 1934, the statistical position of the industry will be very much improved. About 70 per cent of Brazil's exports consist of coffee, most of it coming from San Paulo.

Shows Surplus

The Government also showed a surplus for the first seven months of this year for the first time and has resumed publication of figures of the country's monthly revenues and expenditures. This improvement is only a few weeks old and naturally will be watched to see if it continues. The prospects are better than for some time.

Steps Still to Take

Holders of Brazilian Traction common cannot expect cash dividends on a permanent basis for a considerable time. First, the Government will have to resume payments on its foreign indebtedness. There is encouragement in the fact that about $2,500,000 monthly was remitted during the first part of this year to liquidate the short-term credit which Brazil obtained from London bankers a few years ago. Recently arrangements were made with American and British owners of frozen milreis waiting remittance from Rio de Janeiro. When these accumulated frozen currency assets can be sent out, the way will be smoothed for those who desire to make dividend payments to holders in stock abroad.

Under these circumstances the decision of the Brazilian Government to continue its funding scheme in respect of current debt obligations another year instead of starting cash payments on October does not disappoint as much as expected. When it can start on a permanent basis there will be real reason for congratulation.

BEGIN THIRD PHASE OF TARIFF BOARD WOOLLEN ENQUIRY

Private Probe by Board Members Next Move

From Our Own Correspondent

OTTAWA—The Tariff Board completed the evidence in the investigation into the woollen schedule of the tariff on October 9 and tariff making under the Anglo-Canadian trade treaty now enters a third phase.

To begin with, the Board held several public hearings at which evidence of a general character was received. Then followed ten days of secret sessions in which Canadian and British woollen manufacturers bared their production cost figures. The second phase is now closed and the Board must now decide if it possesses all the information necessary to enable a decision to be made or if further investigation is essential. Any additional investigating, it is understood, will be carried out by representatives of the Tariff Board and will not be presented in the form of evidence.

Press Report False

Reports appearing in the daily papers to the effect that the Tariff Board at a final sitting on Thanksgiving Day decided to send accountants to Great Britain to examine the cost sheets of British mills are entirely inaccurate. The final hearing was held on a national holiday in order to complete the evidence and enable the British delegates to sail on Tuesday from Montreal.

Nevertheless, it is learned on excellent authority that throughout the hearings in camera the chief point at issue between the Canadian manufacturers and their British rivals has been whether or no the British cost figures are reliable and acceptable for purposes of comparison with Canadian figures.

Need Wider Base

As stated in The Financial Post last week, the British delegates brought statistics based upon the operations in some 42 mills. These are large mills, but there are upward of 1,000 woollen mills in Britain and the Canadian manufacturers believe that a wider base should have been used. Still further, the British figures are based upon operations in 1931 and while it is understood that the delegates made an effort to bring them up to midsummer of 1933, the Canadian manufacturers are far from satisfied that this effort was successful. The Canadian figures are for midsummer 1933 and the Canadians contend that British figures for the same period should be obtained before a comparison is made.

To obtain British figures it would be necessary for the Tariff Board to send accountants to Britain to examine the books of British mills. Hence the news report last Monday that a decision to do so had already been reached.

Say Figures Inaccurate

In point of fact, this controversy remains undecided. The Tariff Board has heard the British delegates argue that their figures are reliable in every way and, conversely, has heard the Canadian manufacturers argue that the British figures are neither reliable or acceptable as a basis for comparison. The Board must now make a decision and if the decision supports the contention of the Canadian manufacturers the Board will have to send its own representatives to Britain to do the work.

Now that the evidence is all in, the Board will come to grips with this point in the immediate future. If the British evidence is accepted, an early decision should follow and the government may either make it public or table it when the House of Commons meets. If additional evidence is deemed necessary, the Board will have to wait until it is obtained. This will involve a considerable delay and almost certainly would prevent the Board reaching a decision this year.

FORM COMMITTEE CANADIAN POWER AND PAPER TRUST

Debenture Holders Take Steps to Protect Interest in Company

From Our Own Correspondent

MONTREAL. — Debenture holders of Canadian Power and Paper Investments, which has defaulted on its obligations, have formed a protective committee, the personnel of which includes: J. A. Raymond, Montreal; Sidney T. Smith, Winnipeg; E. R. Bremner, Ottawa; C. W. G. Gibson, Hamilton, and J. E. McConnell, London, Ont.

Canadian Power and Paper Investments is an investment trust of the management type which came into being in 1920. It was not until 1928 that the public became interested in the enterprise. In that year Nesbitt, Thomson and Co. sold $2,500,000 of 5 per cent debentures at par with a bonus of 10 shares of common stock for each $1,000 bond. A year later the same investment bankers sold to the public $2,500,000 of preferred shares at the par value of $50 a share.

Regular dividends were paid on the preferred shares up to November 15, 1931, while the bond interest due on August 1 last was passed.

Equities Are Small

Though no particulars have ever been published by the management as to the company's holdings, the market value of such has declined rapidly in the last two or three years and at the end of last year there was no equity back of either the preferred or common shares, while the book value of equity back of the debentures was roughly 70 per cent.

The balance sheet on December 31, 1932, presented an unsatisfactory position. The value of assets, taking investments at market value, was only $2,956,076 against which the company had call loans payable to the banks and trust companies totalling $1,193,790.

Rebuild Halifax Pier

The Halifax Harbor Commission anounces the immediate rebuilding of Pier 2. It is expected early November will see transit facilities on the new structure ready and top floor storage space a month later.

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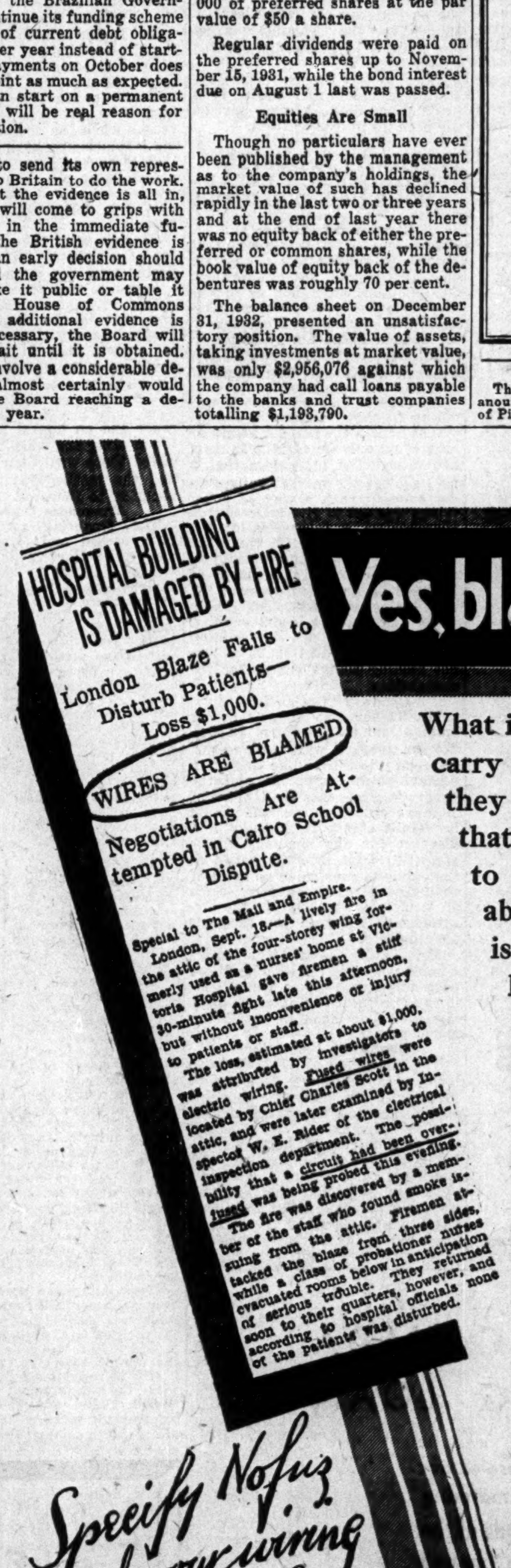

HOSPITAL BUILDING IS DAMAGED BY FIRE

London Blaze Fails to Disturb Patients—Loss $1,000.

WIRES ARE BLAMED

Negotiations Are Attempted in Cairo School Dispute.

Special to The Mail and Empire. London, Sept. 18.—A lively fire in the attic of the four-storey wing formerly used as a nurses' home at Victoria Hospital gave firemen a stiff 30-minute fight late this afternoon, but without inconvenience or injury to patients or staff.

The loss, estimated at about $1,000, was attributed by investigators to electric wiring. Fused wires were located by Chief Charles Scott in the attic, and were later examined by Inspector W. E. Rider of the electrical inspection department. The possi-

Yes, blame the wires!

What is overfusing? Making the wires carry more current than that for which they are safely rated. The result is that at some weak part there is going to be overheating, with the inevitable fire. The trouble with fuses is that they can be replaced by higher capacities than the wires can safely carry. They can be entirely *bridged* thereby destroying all protection.

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News of Investment Markets

CONVERSION LOAN BRINGS STRENGTH TO BOND MARKET

Victory 5½'s, 1933, Higher — Price Bros. 6's and Utilities Advanced

Dominion, provincial and corporation bonds were inclined to strengthen in the week ended Oct. 10. Announcement of the Government's $225,000,000 conversion loan appeared to help because of removal of uncertainty and direct effect on prices.

Among gilt-edged bonds, the market was featured by a sharp rise in Victory Loan 5½'s of 1933 from 100⅛ on Oct. 6 to 100.40 on Oct. 10, the date of announcement of the big conversion operation. This was attributed to the favorable terms of the loan offer which brought dealers into the market.

Yields Declined

Other Government issues were higher as the decline in yields, tabulated below, indicates:

Average Yield on Seven Canadian High Grade Bonds

Oct. 10	4.433	Sept. 30	4.459
Oct. 7	4.429	Sept. 29	4.440
Oct. 6	4.430	Sept. 28	4.454
Oct. 5	4.431	Sept. 27	4.459
Oct. 4	4.443	Sept. 26	4.454
Oct. 3	4.456	Aug. 31	4.359
Oct. 2	4.460	July 31	4.447

Western provincial bonds showed firmness, except for Saskatchewans. Alberta and Manitoba issues held the levels of a week previous or made moderate advances. British Columbia bonds were steady. Saskatchewan issues declined from fractions up to a full point. Due to comparative crop failure, it is anticipated that this province may have to procure up to $10,000,000 for relief during the coming winter.

Corporation Bonds Quiet

Corporation bonds were quiet with little change in prices during the week. Gains outnumbered losses. Price Bros. 6's of 1943 reacted favorably to proposed changes in operations, rising 5⅛ points to a bid price of 61. Public utility liens were sharply stronger, with MacLaren-Quebec and Shawinigan issues recording the best advances. Manitoba Power 5½'s of 1951 dropped 3½ points to 25½ on the bid side.

Municipal dealings were in small volume, new sales and tender calls being chiefly notable for their scarcity.

GLENEAGLES CO., TO SUBMIT PLAN TO BONDHOLDERS

Montreal Apartment Property Draws Up Scheme for Reorganization

From Our Own Correspondent

MONTREAL — Gleneagles Investment Co., owners of a large apartment house property in Montreal, has called a meeting of the bondholders to consider a plan of reorganization made necessary by the company's inability to meet its obligations.

At present Gleneagles has a capital stock set-up including 35,000 shares of preferred stock of the par value of $25 each, of which 29,944 are issued and outstanding. In addition there are 20,000 shares of no par value common stock.

It is proposed to cancel 1,991 shares of the common stock, leaving outstanding 18,009 shares. Of the latter 10,523 will be converted into Class A shares with power to elect the majority of directors and 7,486 shares of Class B shares.

Wipe out Common

The plan provides for the wiping out of the common stock and the conversion of the 29,944 shares of preferred into 7,486 shares of Class B stock in the ratio of four shares of preferred for one share of common stock.

The company has a funded debt consisting of $1,052,300 of first mortgage 15 year 6½ per cent bonds and a second mortgage of $80,000. The holders of the second mortgage bond have agreed to settlement of their claim for a cash payment of $18,000.

Asking for Concessions

The first mortgage bondholders are being asked, under the plan, to waive interest up to June 15, 1933 and said defaults: lower the coupon rate to five per cent payable out of income only from January 1, 1933. If interest paid on March 1, 1934, is less than 2½ per cent, or on any under semi-annual interest date, deficiency is cumulative. The cumulative interest is not to bear interest unless unpaid on June 15, 1944, when five per cent will be paid until cleared.

Further concessions asked of the bondholders include the deferment of sinking fund payments until March 1, 1934, when they will amount to 50 per cent of net earnings. It is proposed to pay principal and interest in Canadian funds. Special provisions are set up designed to protect the position of the bondholders, such as restrictions on the payments of dividends, etc.

In return for waiving interest payments already in default and for the other concessions, the bondholders will be given 10,523 shares of Class A stock in the ratio of one share for each $100 face value of bonds.

Bond Tenders

Oct. 16, City of Hull, Que.—$115,500, 5 per cent coupon bonds, dated May 1, 1933: $18,000 payable serially from May 1, 1934, to May 1, 1942 and $97,500 payable May 1, 1943.

IMPORTANT
Announcement
to
Mining Investors
See page 16

Investment Notes

Biltmore Hats

COMPANIES that can show annual increases in sales and earnings in each of the last four years are almost a rarity but earnings of Biltmore Hats Ltd., since it was publicly financed in March, 1929, have shown steady improvement and each year the company has earned preferred dividend requirements by a greater margin. Fiscal year of the company ends on November 30 and unofficial reports indicate that earnings in the current year will be even better than those reported for previous years.

In the year ended November 30, 1932, the company had net profit of $40,694, or $15.87 per share on the 2,565 shares of 7 per cent preferred stock outstanding. In that year, after paying preferred dividends, the company earned 98 cents per share on the 20,000 shares of common stock outstanding and the common shares had an equity of $7.05. While neither the common or preferred shares are actively traded on the Toronto Stock Exchange, the common stock was sold in September at $6.50 and $7 per share. Recent market on the common was $7.50 bid and $8.50 asked. If earnings in the current year exceed earnings of last year some payment on the common shares would not be unlikely since the company has a strong working capital position.

* * *

Competition For Oil Cos.

IN THIS age when products of one industry compete with those of other industries as well as the internal competition of products of individual companies in the same industry, the oil companies have been singularly free from outside competition in their main products of gasoline and lubricating oil. Kerosene, of course, has been driven from its one time important place as an illuminant by gas and later by electricity and fuel oil has won its way against the old-established place of coal as by-products companies have given great attention to devices for marketing them and they are of some interest to the investor as well.

In the last year coal seems to have won a stronger place in public esteem by reason of increasing efficiency of blowers. By the use of cheap forms of coal the blower has led many people to stay with coal who otherwise might have been tempted to take oil burners and its comparative cheapness has even led to the abandonment of oil burners for the cheaper fuel. Oil-burning holds its place by reason of the superior comfort involved in not having to look after the furnace, deal with ashes in any shape or form and the service offered by companies selling such burners. That extra convenience is paid for but recent developments show that vendors of coal and of blowers are on their toes and the old troubles of tending the furnace have been about halved if users' experience as retailed to The Financial Post is any criterion.

Gasoline has been raised in price by oil companies. Fuel oil as a byproduct must be sold and many efforts have been exerted in recent years to extend this part of the oil company business. Considerable success was attained last year but blower people have been stressing advantages of their system in saving money. From the United States it is reported that a strong fuel oil and kerosene demand is expected during the coming winter. This phase of the business in Canada will draw interested attention from investors. It is no longer so important as several years ago on account of refinery developments by which companies can control largely the proportion of by-products available.

* * *

Silverwood's Liquid Position Better

EARNINGS of Silverwood's Dairies, Ltd., since the close of its last financial year on March 31, 1933, are slightly down as compared with the same period in 1932. Profits in largely increased sales of ice cream in 1933 were cut into by increased sales and sugar taxes and a large percentage of the milk is being sold at a discount for relief purposes. The Financial Post understands that there is from 15 to 20 per cent of the milk going out for relief at prices cut from 1 to 2 cents. Dairymen claim that it is difficult to break even on this business.

On the page devoted to answering investment enquiries a rather lengthy analysis is given of Silverwood's Dairies. Reference is made there to the company having paid out in preferred dividends very close to its entire earnings. Because of shrinkages in earnings in the lean months of January, February and March the company reduced the dividend to one per cent quarterly and this, it is expected, will be maintained throughout the current fiscal year. That will require only $120,000 as compared with $203,210 paid last year.

The company has now placed more than $300,000 of its debentures which has enabled it to reduce and make substantial payments on mortgages, retire some of its outstanding obligations and entirely liquidate all bank accommodation, leaving it with a larger cash balance than at any time in its history. Last year the company retired some $200,000 of its preferred stock, has retired $120,000 so far this year and expects to retire $300,000. If that objective is realized the company will have retired half a million dollars par value of preferred stock from April 1, 1932, to April 1, 1934. The depreciation reserve is being used for this reduction. The company is understood to be aiming by these policies at a substantial reduction in intangible items in its balance sheet.

* * *

Buying 5,000,000 Gallons Whisky

IN ANTICIPATION of the complete repeal of prohibition in the United States early next year, an American syndicate is reported by the Weekly Times to have purchased in Glasgow 500,000 gallons of Scotch whisky, which will be held in bond until it can be shipped overseas.

American syndicates are believed to have made purchases of approximately 5,000,000 gallons of Scotch whisky, under similar agreements. The latest deal was negotiated through William Walker & Co., Limited, whisky brokers, of Glasgow, and a cheque for about £250,000 has been lodged in the bank to finance the purchase.

The Coleraine Distillery Company, Londonderry, with a trade connection dating back for almost a century, has recently been purchased by Messrs. Boyd & Co., of Belfast. It hopes to sell a portion of the stock in America, but states ample supplies will be available for the home market, and it is intended to carry on the Coleraine Distillery as a separate concern. One of its customers is the British House of Commons.

The importance of purchases in the United Kingdom, so far as Canadian distilleries are concerned lies in the availability of the oldest stocks for rectification. No information is available on that point.

* * *

Millers' Control of Bakeries

MAPLE LEAF MILLING CO. was one of the first milling companies, if not the first, in Canada to obtain a large baking subsidiary in order to assure a steady market for its flour. Since Canada Bread was acquired by it some two decades ago, Canada Bread has been extending its plants and distribution materially. Maple Leaf Milling Co. also acquired other baking subsidiaries and expanded them. The example was followed by all the major milling companies and, with the help of financing by the public, each unit thus obtained was expanded. Overcapacity was a natural result, and the problems of baking company executives have therefore been more difficult than at any time in Canadian history.

The report of the annual meeting of Canada Bread Co., and of the remarks of the retiring president, should be read with this situation in mind. At the time the public bought securities of baking companies they were impressed rather than deterred by the fact that powerful milling companies were behind the companies. They bought in many cases in full sight of the fact that the milling companies controlled the baking companies. In a time of depression investors in bread company securities for the first time tend to become suspicious that the interests of the milling company may be considered more than those of the bread company. The words of Mr. Henry F. Gooderham, K.C., may tend to deepen that impression.

* * *

Canada Bread Success Desired

ACCEPTING the fact of control of Canada Bread Co. by Maple Leaf Milling Co., strong arguments may be advanced that the Maple Leaf Milling Co. should use every effort to see that Canada Bread Co. becomes a success. Changes in directorate and management, if made with that object, would be in its own interest as well as in that of the baking subsidiary. In this particular case the new names added to Canada Bread board, even if they are nominees of Maple Leaf Milling Co., will give prestige to the board because it adds to the board sound men of weight and proved business ability who are not likely to act at the dictation of others in any way. They will probably conceive that they are on the board to advance the fortunes of Canada Bread and they will do those jobs to the best of their ability.

There is, however, from the investors' standpoint, much of interest in the controversy aroused. He should withhold judgment until the other side is heard. The Financial Post regrets that it could not secure a statement for this week from those who disagree with Mr. Gooderham, but believes that something should be said to make clear just on what principles Maple Leaf Milling Co. believes Canada Bread should be run. Some prominent investors questioned at the meeting whether the first and second preference stocks can be properly represented by Maple Leaf Milling nominees. Others claim that it does not matter whether a director representing a certain class of shareholders holds one share or 100 shares, the principal consideration being that he should be a man of ability and character. That is a question that should be argued in the open.

* * *

Statement is Due Shareholders

IT IS to be hoped that the new board will give full consideration to the proposals which Mr. Gooderham states he was prevented making. Mr. Gooderham's statement puts the matter before the shareholders and as quick decision as possible, either adversely or favorably, with reasons therefor, is something which minority shareholders are not unreasonable in asking. Some of these plans may appeal to shareholders as likely to be very fruitful without leading them to adopt Mr. Gooderham's further conclusion that the management is not in line with the most modern practice. Maple Leaf Milling Co. has signally shown its approval of Mr. Loftus as general manager by having him elected to the board. Mr. Loftus's reasons for not adopting Mr. Gooderham's suggestions should be given to shareholders so that they would have the whole picture.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brewing	§5%	1942	Nov. 1	105
Northern Electric	*5%	1939	Dec. 1	105
Dom. Canners	†6%	1940	Nov. 1	...
Toronto Housing	‡5¼	1953	Oct. 18	..
Pacific Burt	¶6½%	1937	Oct. 19	...

§Purchase of bonds for sinking fund $10,900.
*$190,100 redemption for sinking fund.
†Purchase of bonds for sinking fund.
‡$16,800 for sinking fund.
¶$27,800 for sinking fund.

Railway Earnings

Canadian Pacific Railway

Week end.:	$	$	Decrease $
Oct. 7	2,789,000	3,168,000	$379,000

UNITED DISTILLERS STOCK OFFER MADE

Holding Company for B. C. Operator Selling 200,000 Shares

From Our Own Correspondent

MONTREAL. — United Distilleries of Canada stock is being publicly offered by O'Brien and Williams, members of the Montreal Stock Exchange. This is a holding company for United Distillers Ltd., which operates a distillery at Vancouver, B.C.

Details of the issue follow:

200,000 Shares
United Distillers of Canada Ltd.
No Par Value Shares

Company: Incorporated with Dominion charter, controlling all the capital stock of United Distillers Ltd.

Capital: Authorized 1,000,000 shares. Outstanding 900,000 shares on completion of financing, of which 700,000 shares have been issued in exchange for total outstanding stock of United Distillers Ltd. No funded debt.

Business: Operates a distillery at Vancouver, producing rye, Bourbon, gin and whisky.

Assets: Property appraised on August 22, 1933, after liberal depreciation, at $648,753.

Working Capital: As of July 31, 1933, after completion of present financing, working capital of combined companies will amount to over $2,000,000.

Inventories: Stocks of company total 1,946,507 American gallons of alcohol.

Offer: O'Brien and Williams at $6.25 a share.

Listing: Application will be made to list shares on Montreal Curb Market and New York Curb Market.

Process Sugar Beets

Canadian Sugar Factories Limited at Raymond, Alta., is now busy on the 1933 make of sugar, several hundred carloads of beets having been delivered, keeping 300 men busy at the plant. The slicing capacity is 1,200 tons a day. About 150,000 tons of beets will likely be handled.

FOUR NEW DIRECTORS FOR CANADA BREAD COMPANY BOARD

At the annual meeting of the Canada Bread Company four new directors were elected to the Board. Reading from left to right they are: C. H. Carlisle, President of the Goodyear Tire & Rubber Co.; R. S. Waldie, Director of the Imperial Bank of Canada; C. B. Shields, Vice-president of Loblaw Groceterias Company, and A. V. Loftus, General Manager of the Canada Bread Company.

N'foundland Survey Report Ready About November 20

Report of the Royal Commission which investigated conditions in Newfoundland, expected this month, will not be made public until about November 20, according to Sir William Stavert, Montreal member of the commission.

It is stated that the report has been completed but Sir William Stavert would not discuss its contents when questioned by newspaper men.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Truro, N.S.	......	Central Agencies	5%	30-yr.	$15,000	101.50	4.90%
St. John, City & County of	Sept.	J. M. Robinson & Co.	5%	15 to 30 yr.	38,682	100.50	4.96%
Charlottetown, P.E.I.	Sept. 30	Dominion Securities	5%	20-yr.	35,500	100.317	4.98%
Dominion—							
Dominion of Canada	Oct.	....	3½%	1935	$225,000,000	*99.50	3.75%
			4%	1939		*99.00	4.19%
			4%	1945		*96.50	4.38%

*Offering price.

GOVERNMENT OF THE

DOMINION OF CANADA

1933 REFUNDING LOAN

The Dominion of Canada offers for public subscription

Two-year 3½% Bonds, due 15th October, 1935
Issue Price: 99.50 and accrued interest,
yielding 3.75% to maturity.

Six-year 4% Bonds, due 15th October, 1939
Issue Price: 99.00 and accrued interest,
yielding 4.19% to maturity.

Twelve-year 4% Bonds, due 15th October, 1945
Issue Price: 96.50 and accrued interest,
yielding 4.38% to maturity.

Principal payable without charge in lawful money of Canada, at the office of the Minister of Finance and Receiver General of Canada at Ottawa, or at the office of the Assistant Receiver General at Halifax, Saint John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary or Victoria.

Interest payable half-yearly, 15th April and 15th October, in lawful money of Canada, without charge, at any branch in Canada of any Chartered Bank.

Denominations
Two-year Bonds, $1,000
Six-year Bonds, $500 and $1,000
Twelve-year Bonds, $100, $500 and $1,000

Cash Subscriptions

Cash subscriptions will be received only for the Six-year 4% Bonds and for the Twelve-year 4% Bonds. *All cash subscriptions will be subject to allotment.* Following the announcement of the plan of allotment, delivery of interim certificates against payment in full for the bonds allotted will be promptly effected.

Refunding Subscriptions

Holders of Victory Loan 5½% Bonds due 1st November, 1933, *after detaching and retaining the coupon due 1st November next,* may, for the period during which the subscription lists are open, tender their bonds in lieu of cash on subscriptions for a like par value of bonds in one or more maturities of the new issue and receive allotment in full with prompt delivery. The surrender value of the Victory 5½% Bonds will be as follows:

100% of their par value on subscriptions for the Two-year 3½% Bonds and the Six-year 4% Bonds.

100¼% of their par value on subscriptions for the Twelve-year 4% Bonds if effected on or before 16th October, and 100% of their par value after that date.

No accrued interest on the new bonds will be charged on refunding subscriptions if effected on or before 16th October. After that date accrued interest from 15th October will be charged.

Holders will receive in cash the difference between the surrender value of their Victory Bonds and the cost of the bonds of the new issue.

The amount of this Loan is limited to $225,000,000.

The Loan is authorized under Act of the Parliament of Canada, and both principal and interest are a charge on the Consolidated Revenue Fund of Canada.

The proceeds of this Loan will retire $169,971,850 Dominion of Canada 5½% Bonds maturing 1st November, 1933, and $40,000,000 short-term Treasury Bills. The balance will be used for the general purposes of the Government.

Subscriptions will be received and receipts issued by any branch in Canada of any Chartered Bank and by Recognized Dealers, from whom may be obtained application forms and copies of the official prospectus containing complete details of the Loan. Applications will not be valid on forms other than those printed by the King's Printer.

The subscription lists will open on 10th October, 1933, and will close on or before 24th October, 1933, with or without notice, at the discretion of the Minister of Finance.

DEPARTMENT OF FINANCE,
OTTAWA, 10TH OCTOBER, 1933.

THE FINANCIAL POST

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TORONTO, OCTOBER 14, 1933

THE WAGE EARNER AND INFLATION

INFLATION does not benefit the worker. In this country a great many well-meaning theorists have urged inflation of currency to put men back at work. But the labor leaders who have studied the results of currency inflation in other countries have avoided this error.

William Green, president of the American Federation of Labor, the other day called upon the organization he heads to stand unflinchingly against inflation. He said:

> "We have not forgotten how workers in other nations in Europe suffered because it required on some occasions a bushel basket of money to buy just an ordinary commodity. We do not want to go through that because the record shows that wages remain static, while commodity prices go up. . . . When the worker earns a dollar he wants to be sure that that dollar is a real dollar and that it does not represent a reduction in buying power."

Of course, the basis of the argument of inflation to help the worker is that inflation increases prices, stimulates production, creates new employment and thus provides a greater net wage distribution among workers. The New York Herald Tribune shows that in the case of post-war Germany inflation did for a time reduce the number of idle workers in the German trade unions, with the result that unemployment in this group, which stood at 4.8 per cent at the end of 1913, fell as low as 2.8 per cent at the end of 1922. Twelve months later, however, when the inflation bubble burst, 28.2 per cent of all German trade unionists were unemployed and another 42 per cent were working on part time.

Labor always loses in inflation. Wages cannot keep pace with a rise in paper prices as great as that induced by inflation. Inflation, as Daniel Webster put it, is a plain contrivance for cheating the labor classes.

RAILWAY REVENUES AND WAGE RATES

IN THE class one railways of the United States, those with annual operating revenues above $1,000,000, there is invested $26,100,000,000. On this investment the railways earned in 1932 a net return of 1.25 per cent. This compares with 4.84 per cent in 1929. After paying interest charges the railway had a deficit of $139,000,000. This is quite apart from dividends. The better class railroads in the United States have been financed by the sale of stocks for cash and this stock, in the past, has been regarded as a gilt-edged investment here and abroad. Although the railways reduced their dividends from $490,000,000 in 1929 to only $92,000,000 last year, they had to cut deeply into reserves to pay that sum.

If this situation is to be regarded merely as the product of a very acute depression, then there is some hope of a comeback for the rails, but there is evidence that the railways' financial problems lie deeper than this depression and that drastic revision of wages, rates, physical structure and so forth will be necessary to restore them to the prosperity that is essential if the transportation efficiency of the United States is to be maintained.

It is a remarkable fact that while the railways went behind such a vast sum in 1932 the average rates paid to employees per hour stood at 63.6 cents, higher than it was in the post-war period, and almost as high as where it stood in 1929 when the rate was 66.6 cents per hour.

The figures are of great significance to us in Canada. Because of the international dominance of the railway unions affiliated with the A. F. of L., railway wages in this country follow the trend of railway wages in the United States and bear little relation to our comparative costs of living. The railways in this country are now endeavoring to have that situation corrected in some small degree. One of the things that is blocking them is that President Roosevelt has virtually forbidden wage reductions to the American rails and this strengthens the resistance of Canadian railway employees to wage adjustments here.

The condition of bankruptcy to which the railways are heading is dire in its forebodings for the more than 1,000,000 railway employees in the United States. If the railway employees would co-operate by accepting adjustments based purely on the reduction in the cost of living even if those reductions did not go as far as the decline in living costs, they would be providing better assurance for their own future prosperity.

TRUSTEE SECURITIES AND PRICES

A CHANGE in legislation governing trustee investments is urged by the Montreal Witness. Those who invest for widows and orphans must buy only bonds and mortgages repayable in legal tender. But today plans are being made to reflate credit and to devalue currencies. This will rob the holders of bonds and mortgages. It would be better for some portion of trustee funds to be invested in shares of the more conservatively managed and socially beneficial corporations, thinks the Witness. But it considers the best plan would be to make bonds payable in currency relative to the price index figure maintained when the bonds were issued.

The so-called "price index bond" is not a new suggestion. It has been urged for many years by different groups and is being given more consideration today than ever before. The technical difficulties in the way of getting it universally adopted are very pronounced.

There is no doubt that inflation is a form of confiscation. But the redistribution of wealth under inflation is not greater than under deflation. The present aim of most countries is to restore the price level to somewhere around 1926 prices. This would simply put the purchasing power of the fixed income back to the 1926 level and "rob" those incomes only of the benefits they have gained from the more recent price decline.

The evil of the situation is not with the various trustees' acts but with the instability of the price level, which cannot be corrected by simply changing the trustees' act. Unstable prices are the great unsolved enigma of the economic world, the most fundamental cause of booms and crises, even of revolutions and wars.

INCOME TAX SECRECY AND WHAT IT CLOAKS

ALL transactions between the government of Canada and those who pay income tax are by law made secret. The tax returns are not available to the public. Time after time ministers have refused to answer on the floor of Parliament questions regarding the incomes of and taxes paid by different individuals and corporations. The rule of secrecy extends so far that the income tax returns are not made available even to the Dominion Bureau of Statistics, which could produce some very illuminating data based upon them as to income of different classes of producers in Canada and of different areas in Canada.

In the United States, there is no such rule of secrecy regarding income tax; the amount of taxes paid by different individuals is public property as is the amount of refunds made by the government.

Undoubtedly the Canadian rule of secrecy is the right one. Even in this day of excessive government interference into the private lives of citizens, people are entitled to some privacy and certainly the details of their incomes should be considered a matter of private rather than public interest.

But various incidents have occurred over the term of the post-war years to make the general public a little suspicious of the secrecy rule regarding income tax. There was the famous Riordan case. The income tax officials permitted the Riordan companies to fall far behind in their income tax payments and when they went into liquidation the government was exposed to the hazard of a great loss, in the collection of what was due.

More recently there has been the case of I. W. C. Solloway, a former mining broker. Faced with a demand from income tax officials for additional taxes amounting to approximately $700,000, Mr. Solloway is reported to have had interviews with different members of the Cabinet, as a result of which he was able to effect a settlement of the tax for $100,000.

There are several features of the case which are not entirely satisfactory to the general public. The question may properly be asked why any member of the cabinet should intervene in the settlement of any personal income tax matter. The public wants to know also if this is a general practice and if there are any large number of cases in which, by personal negotiation, individuals or corporations have been able to pay a smaller tax than the officers of the income tax branch had assessed them for.

If the practice is general, it is one that could easily lead to the most grave abuses. One does not have to suggest that there was anything underhand in the Solloway settlement to point out that such a procedure would open the door to graft and political fixing of the worst type and the parties could in such a process find an easy source of campaign funds.

If the income tax operations of the government are to be secret even from members of Parliament, then assurance must be given that the tax is administered without favor to anyone.

THE KING CAN DO NO WRONG

UNDER the National Recovery Act in the United States, it is made a criminal offense for an industrial company to indulge in unfair competitive tactics or to cut prices far below cost in order to take business away from a competitor. Back of the N. R. A. stands Uncle Sam, reflecting all the majesty and glory of his determined law enforcement agencies.

At the same time that industry is being enjoined from so-called "unfair" competition, the government itself is hastily drawing plans to build enormous utility plants. The rates announced for the sale of power from these plants are such as to indicate that the government does not seek a fair return on the actual capital invested. Apparently it is a sin for a private industrialist to sell at less than the cost of production and a virtue for a government to do the same thing, even though the government action in that respect is ruinous to privately-owned public utilities in which billions of dollars of public money is invested.

The theory upon which the United States government is proceeding in investing in large public utility plants is that by so doing it can give some stimulus to construction and lead the nation out of depression.

In the past the public utilities have been the largest spenders in the entire American economic fabric. Today their expansion programmes have been brought to virtually a complete halt and why?

First, because taxes have been piled high upon them to meet government extravagances;

Second, because their costs for labor and other expenses have been increased by governmental action under the National Recovery Act;

Third, because a new securities act has made it virtually impossible for any corporation to borrow money from the public;

And, fourth, because certain contractors find it easier to make money out of big United States government projects.

There is something illogical in the whole performance. The United States government makes it virtually impossible for the utilities to expand and then because they do not expand it sets out to make their position even more intolerable by competing unfairly against them (and at the same time requiring them, as taxpayers, to foot part of the bills).

No wonder sober minded Americans have distinct reservations about the Roosevelt recovery programme.

PUBLIC UTILITIES AND THEIR FUTURE

THOMAS F. WOODLOCK, writing in the Wall Street Journal, states that in the United States the public utility corporations are regarded as public enemies. He contrasts this with the British viewpoint of public utilities. Notwithstanding the Briton's acute sensitiveness to any invasion of his individual rights, he holds no such concept of his railway and other public utility enterprises.

Mr. Woodlock, who is a former member of the Interstate Commerce Commission and a famous authority on public utilities, points out that either public opinion must change its view of the utility as a public enemy or the privately owned utility must pass out of existence.

Just why utilities on this continent, (for the situation in Canada is much the same as in the United States) should be regarded as public enemies is a question for the psychologist to answer. That the utilities themselves must accept a share of the blame goes without saying. Too often, particularly in the early roystering days of utility development, exploitation of the public went hand in hand with crooked politics and brought the utilities into much disfavor. Even in recent years, propagandist activities of the United States public utilities and their financial excesses in the boom years have served to make the public suspicious. The drift of the modern politician to Socialism has clinched the matter. Public ownership has proven a sure road to political preferment at the hands of voters in many areas and a simple way of providing jobs for stalwart supporters. Obviously, the public would not accept public ownership unless private ownership of utilities were painted in sufficiently black colors. So the appeal has been a negative one, against private ownership, rather than a positive one of discovering and projecting any genuine virtues in public ownership.

Mr. Woodlock's conclusion is that there is not the least sign of a change in the direction of a public regard for the utilities as a genuine service institution and he, therefore, concludes that the privately owned utility must gradually pass out of existence. Is he too pessimistic? The future of private ownership of public utilities on this continent rests very largely with those in control of our privately-owned utilities. They have their backs to the wall and must fight fairly and squarely to save private ownership and curb the excessive taxation that comes with public ownership. They must give good service at lowest cost, to ensure steady returns on capital and safety of investment.

EDITORIAL NOTES

Truly the U. S. A. is the land of opportunity. The $7,500 a year Commissioner of Records of Brooklyn county can neither read nor write.

* * *

Theme song of New York's newest musical comedy is: "Uncle Sam will be in Heaven when the dollar goes to Hell." The funny part about it is that that is just what the inflationists believe!

* * *

The U. S. Department of Agriculture last week forecast an advance in wheat prices which adequately explains why they sold down three days later.

POST-scripts

SOME Frenchmen are toying with the idea of a dictator. Puce is suggested as the color of the shirts for the followers. The dictionary tells us that puce means a purplish brown or flea color.

Abandoning purism in pronunciation such a development might give rise to the rhyme:

"Our shirts are puce
To beat the Duce."

SAMUEL BOONE, president of the American Life Convention and the president of the Midland Life Insurance Company, of Kansas City, Mo., who presided at the 28th annual meeting of the American Life convention at Chicago, recently, comes of true pioneering stock.

He is the great-great-grandson of Daniel Boone, America's most famous frontiersman and a great-grand-nephew of the famous Kit Carson. Further, his father, Daniel Boone, and his uncle John T. Boone, were real pioneers in life insurance. In about 1873 John Boone became an agent for the New York life and shortly afterward induced his brother to take a contract with the same company. Together they opened up the vast territory west of the Mississippi River for the New York Life.

While Daniel Boone founded the Midland Life, his uncle, John T. Boone, was the founder of several companies, including the North American Life, Southland Life, Pan-American Life, and Shenandoah Life. Another uncle, Howard C. Boone organized the Central States Life in St. Louis.

KENNETH FORBES, who has a remarkable one-man show at the Art Gallery of Toronto this month, is a Canadian, born in Toronto and now working there, who is rapidly achieving an international reputation. He has had as many as three different pictures in a single show of the Royal Academy in London; last year he won the gold medal of the American Academy of Design for a portrait of Capt. Melville Millar, of Toronto. Yet none of his paintings hangs in the National Gallery of Canada at Ottawa.

On the opening night of Mr. Forbes's Toronto show very few of the Group of Seven fans turned out to do honor to this great Canadian painter. Forbes has tremendous color sense; there is beauty in every brush stroke. But he is no modernist. So he must find his major fans abroad and not here, where the younger set dominate with their interesting, if often baffling and inexplicable "creative" art.

Forbes's picture of Jack Hammell, famous Canadian mining developer, is one of the great Canadian portraits. Forbes enjoyed painting it. He and Hammell are good friends. They box together. Yes, Forbes is a clever boxer, despite the delicacy of his painting fingers. He has a long row of cups that he has won in amateur boxing tournaments.

He has painted Mrs. Forbes many times in different poses and studies. She too is an artist, who does work in water color, and thus attracts the envy of her husband who thinks it is a lot easier to work in oils.

Sayings of the Week

"The Catholic Church has always steadfastly maintained that man has a God-given right to own private property. But it is Catholic teaching that ownership is inseparably linked with stewardship."—*Cardinal Hayes.*

* * *

"Man, like every other animal, is naturally indolent."—*Albert Einstein.*

* * *

"We could never have had the automobile by voting for it."—*Edward A. Filene, Boston merchant.*

* * *

"You bet your sweet life we are exploiting discontent."—*Capt. Elmore Philpott, C. C. F. speaker.*

* * *

"No person, because he wore a uniform, must thereafter be placed in a special class of beneficiaries over and above all other citizens."—*President Franklin D. Roosevelt.*

* * *

"Public servants who have no enemies are subjects of suspicion."—*Samuel Seabury, chairman, New York mayoralty fusion campaign.*

* * *

"America is taking a dangerous leap forward into the future with about as much idea as a pre-war aviator of where she will land."—*John Maynard Keynes.*

* * *

"There is great difficulty in assigning an age of less than 2,000,000,000 years to this earth."—*Sir Arthur Eddington.*

* * *

"Anyone who looks for a source of power in the transformation of the atoms is talking moonshine."—*Lord Rutherford.*

* * *

"Should the Labor party or any other political organization be foolish enough at any time to declare outright in favor of a dictatorship in this country the workers themselves would see to it at the general election following that it would not be in a position to make such a silly statement the second time."—*Rhys J. Davies, British M.P.*

* * *

"It is cabbages and peas that will save civilization."—*Professor H. C. Sherman of England.*

* * *

"I have confidence in the President and in the programme. Even if it fails—oh, well, if I am going to hell I want to have a thrill on the way, and would much rather do it in grand style than on the back of a donkey."—*Former U. S. Secretary of Agriculture William M. Jardine.*

* * *

"I am unexcited and intend to remain so."—*President Roosevelt.*

* * *

"I can lose money quite easily in the textile trade, but not quite so easily as I can, or I could, in the farming industry."—*Sir Sydney Skinner, of England.*

* * *

"Germany today is one of Mr. Keyne's Economic Consequences of the Peace."—*John Chamberlain, book reviewer of the New York Times.*

* * *

"If civilization escapes its other perils, I should fear little the final reign of the machine."—*The President of the British Association.*

* * *

"One can get drunk on noise."—*Los Angeles county health officer J. L. Pomeroy.*

* * *

"It ought not to be assumed that a person doing nothing is wasting his time."—*Raymond B. Fosdick.*

In the Mail

Tax on C. N. R. Bonds

Editor, The Financial Post:

I have read with interest Page 9 of your issue of Sept. 30, dealing with legality of tax on C. N. R. bonds.

I also am a victim of the irregular, and I think illegal practice, instituted by the Government when paying interest on C. N. R. bonds. And if my understanding of the matter is correct, your correspondent and other holders of C. N. R. bonds, have been victimized to a greater extent than they are probably aware of, as I shall now explain:—

My understanding is that as regards New York exchange, the Government is only entitled to annex a part of it—five per cent—when exchange is over five per cent. That is, if exchange, at the time the bondholder cashes his interest, is five per cent or less, the Government is entitled to nothing. I also contend that the determining rate of exchange is the rate on the date following prompt receipt of the interest cheque, and that the Government who make up cheques fifteen days earlier than due date cannot foresee what New York Exchange will be fifteen days later, and have therefore no right to make premature deduction of 5 per cent exchange.

Therefore the Government should mail cheque to bondholders for full amount of interest in New York funds, leaving the bank to make the necessary deduction, and in that case your correspondent in the case cited, would have received as follows:—Amount of cheque $22.50, plus New York exchange 0.90 cents, total $23.40. That is, instead of getting $22.24 only, he should have received $23.40, due, as explained, to the fact that it is only when New York exchange is over five per cent that the Government levy is operative.

The cream of the topsy-turvy situation lies in the fact that, if instead of holding a registered bond, your correspondent held a bearer bond, he would have cashed his coupon for $23.40 as I have described, and my advice to him is to convert his bond into a bearer bond.

But why should a Government department have one practice for registered holders and another for bearer bond holders? All should be alike, and this exchange farce is a further indication of the meddling and muddling that this Government department has done when they elected to treat the binding terms of their bonds as merely "a scrap of paper."

"Another Disgusted C. N. R. Bondholder."

Wants Easier Credit

Editor, The Financial Post,

For a number of years I have been an interested reader of your paper.

You publish repeated articles from the different captains of industries, economists, etc. Personally I think you should get a few ideas from the common laymen or smaller business men. You would get more every-day common sense about the depression than you have had in the past. The average captain of industry and economist knows less about the depression than those who are living in it from day to day and really are feeling the pinch. The solution to the whole thing, in my humble opinion is opening up of credit and getting people back to work thereby increasing the buying power among the masses and stopping this foolish system of "dole" relief.

You claim that the governments of Canada are interfering too much with business. Why are they doing this? Because the men at the top who are supposed to guide us along over the rough places, haven't the ability and backbone to do the job properly thereby forcing the Government to take a hand in the proceedings. It is time for a new deal for the masses and unless industry and capital wish to be further legislated against, they must roll up their sleeves and show some results instead of a lot of figures which no one, not even themselves, can understand.

Westerner.
Moose Jaw.

Dislikes Radio Advertising

Editor, The Financial Post:

I have been very much surprised at the criticisms in your paper levelled at the programmes of the Canadian Radio Commission. In this district, where radio reception is not particularly good, apart from our local station, a remarkable improvement has been enjoyed since the Canadian Radio Commission commenced its operations. The number of programmes broadcast from our local station has greatly increased and the quality thereof cannot be compared on the average with the programmes previously sent out. They are now very much better and in my opinion are very fine. I should not like to see a reversion to the concerts put on by private companies for advertising effects, because commercial injections are offensive to a field of music and art. No one objects to paying $2 a year for such excellent entertainment.

Port Arthur Bank Manager.

Agrees With CRBC Criticism

Editor, The Financial Post:

I was glad to read your article in this week's Post on the radio situation and I quite agree with all you say. I do not complain so much about the programmes, although the advertising is still bad but there is no station in Ontario or Quebec that is completely free from interference. Most of them are affected all the time. Why should our stations be restricted to 1/5 of the power of United States stations? What we need is more power

Clinton, Ont. A. MacPherson.

As Others See Us

Calling the Turn

St. Catharines Standard—The Financial Post which wages war consistently for all round reduced expenditure by all governments, recalls this week the pamphlet promises for economy issued by the Liberals in the Nova Scotia election, and the question is raised, will there be performance of these promises in a way to benefit the hard-pressed taxpayer?

Real Issue Being Obscured

Sault Ste. Marie Star—The Financial Post expresses doubt that either of the two major political parties in Ontario is fully seized of the importance of the real issue before the people of this province, as of those of other sections of the dominion the problem of cutting down governmental expenditures.

It is perhaps true that in the past the party which offered the greatest spending programme most quickly caught the imagination of the voter. But it is questionable if that is the case today. Now the voters are thinking in terms of taxes and lower taxes are what they want. What they are expecting of political leaders is concrete plans for the reduction of administrative expenditures, the balancing of budgets so that obligations will not continue to be piled up for the future.

These are things that political parties seeking to hold or obtain office should remember.

"A Policy of Reason"

Brockville Recorder-Times—If current reports are to be believed, Mr. Bennett has at last taken a hand in the question of restrictions which continue to rest upon numerous imports from the United Kingdom. The Financial Post says that the Prime Minister, following his return from abroad, has put it up to the Minister of National Revenue "to end the abuses in customs administration that have so largely negatived the purpose of the Ottawa agreements in so far as imports from Great Britain are concerned," and it also reports that a reorganization of the department is being discussed with the retirement of the Hon. E. B. Ryckman as a possibility.

The interpretation placed upon the regulations by departmental officials at Ottawa has had much to do with the situation that has developed. If the word has now gone out that "a policy of reason" is to be pursued in connection with imports from Britain, it means relief that has long been required and in the end such a policy will prove directly beneficial to Canada in permitting the Mother Country to purchase even a larger quantity of Canadian merchandise.

The Larger Issue

The Globe, Toronto—It should not be surprising that taxpayers of this province are concluding both the major parties in the Legislature are overlooking what must be the main issue in the next general election. As The Financial Post sees it, the Liberals are directing their attention toward Hydro operation, while the government seems to be feeling its way in the direction of "beer by the glass" with an eye on loosening present regulations regarding the sale of wine. And The Post asks:

"Does either party realize that there is a much larger issue at stake in provincial politics in Ontario, just as elsewhere in Canada? This is the problem of how to give relief to the taxpayer by reduction in governmental expenditures."

During these trying days the taxpayers of the province are dismayed and exasperated by ever-increasing taxation, by extravagance in expenditure, and a mounting public debt. In good times—and this is the genesis of present conditions—the party that promised to spend money freely might count on popular support. Here a road, there a bridge, and anywhere possible new public buildings; spend the money—that is what unthinking people like to hear. And that is the kind of foolishness they are paying for now.

Hudson Bay Railway

St. Catharines Standard—The Financial Post this week gives a good exposure of the uneconomical Hudson Bay grain shipping outlet from a taxpayer's standpoint. After pointing out that the decision of the government to charge ordinary storage rates at the big elevators in Churchill has been modified and the ridiculously low charge of one cent per bushel imposed for storage all winter and until shipping opens next August, The Post declares that the whole project should be abandoned and the country cut its loss.

The Financial Post in the above discussion merely touches on one of the major sinkholes of the taxpayer's money. There are scores of such to be found all over the country, expenditures which may be regarded as bonuses which do not redound to the national interest at all but only to the interest of a few. The railways afford a striking example all round of uneconomical duplication and mileage which never should have been built. The Trent Valley Canal is another gold brick, costing a large sum for upkeep for the mere passage of pleasure craft. Not without criticism is the free passage of ships through the Sault and Welland canals, another form of bonus to the wheat growers, and direct competition bonuses against the railway interests, national and private.

Just as annual subsidies for Quebec wharves, breakwaters and docks were inspired by vote-getting in successive parliaments, so a large part of railway, harbor and canal construction in the country has been built up with an eye to retaining or winning of constituencies by the party in power. Both parties have been guilty and perhaps if out of the depression period, there comes a new condition of the public mind which will prevent all this in the years to come the lesson of the depression will not have been in vain. As to that, however, the average layman is not at all sanguine.

Ontario Oil Output Gains

Ontario's output of crude petroleum for the seven months ended July 31 amounted to 79,932 barrels as compared with 72,753 barrels for the corresponding period of last year. The July production amounted to 11,616 barrels as against 10,070 barrels in July, 1932.

For the Business Man

The man who is meeting the demands of today in his business affairs has little time for the management of his personal investments, though they may require more care than ever before.

The experience of over 40 years in the investment field is available to our clients. Recommendations for investment of spare funds or for changes in your present holdings will be made on request.

This service is available at any of our branches

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Vancouver Victoria New York London, Eng.

New Dominion Loan . .

4% Maturing Oct. 15, 1939
Price: 99, yielding 4.19%

4% Maturing Oct. 15, 1945
Price: 96½, yielding 4.38%

Place your funds in Dominion of Canada Bonds and feel safe.

Write or telephone at our expense.

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Telephone: ELgin 0161

Montreal *Harbour 2276* · Ottawa *Queen 878* · London *Metcalf 1465* · Hamilton *Regent 0010*

POWER companies' receipts are beginning to show an increase over those of corresponding months in 1932, as is shown in an analysis we have prepared of

MONTREAL POWER

This study also explains the relation of Beauharnois to Montreal Power, the holding company. A copy will be sent on request.

JOHNSTON AND WARD
HEAD OFFICE: THE ROYAL BANK BUILDING, MONTREAL
60 King St. West, Toronto
Members: Montreal Stock Exchange, Montreal Curb Market

What's Your Answer to These Questions?

1. In what can you invest your money, except life insurance, with absolute confidence that it will bring you a guaranteed income upon which to retire, say 10, 20 or 30 years hence?

2. What asset, outside of life insurance, can you depend upon to furnish funds for the continued support of your family in case of your death?

Consider these questions—unless you are fully insured.

London Life "complete protection" policies meet both these needs at the same time—protection for your family if you should not live and money to retire if you do live. To these can be added Total Disability Insurance to provide for you in case of prolonged disability from either sickness or accident.

Ask any London Life representative for particulars about a "complete protection" policy, or write to the Branch Office.

Established 1874
London Life Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA

Business Conditions in Canada

The Week in Business

Retailers Now Benefit

INFLUENCE of increased employment and therefore greater purchasing power is now being felt by retailers in the United States, the current monthly survey of the Guaranty Trust Company of New York states. The survey points out that while there is quite a marked business recession as far as industry is concerned, trade in many of its branches continues to expand. Another important factor, as the survey views the situation, is that commodity prices have been distinctly firmer in September than in August and, while there are many irregularities, the trend is definitely upward. Viewing the situation at the present time with six months ago, there is no doubt left but that industrial activity has increased, it states.

Referring to the increased retail business being done the survey states, in part, as follows:

"An encouraging feature of the present situation is that the increased purchasing power brought into being by the larger payrolls and the more optimistic sentiment of the last few months has begun to assert itself in retail markets. This is a development which not only spells real and immediate relief to millions of individuals but represents a broad economic influence of the most constructive sort."

* * *

Unequal Wealth in West

WHILE the total wheat crop of the western provinces is very much smaller than it was a year ago, the improvement in price is very marked. At October 3, for instance, current prices for No. 1 Northern at farms situated in the mid-part of the three provinces was: Manitoba 46c.; Saskatchewan 43c. and Alberta 41c. These figures show an 11c. advantage over the same date a year ago. Other grains have advanced to an even greater extent.

Based on an average of prices to farmers since deliveries of new wheat began, the approximate value of the 1933 crop using the yield estimate of 268,000,000 bushels is one $141,000,000, according to the W. Sanford Evans Statistical Service, Winnipeg. Because of small volume and its unequal distribution a good deal of discrimination will have to be used by business men in judging conditions in the various sections of the West if they are to take most advantage of this purchasing power.

* * *

Loadings Higher, Prices Down

CAR loadings in the week ended September 30 made a good gain over the totals for the previous week but grain and merchandise loadings were again considerably below the 1932 level. Total loadings were 51,229 cars as compared with 47,387 in the previous week and 51,813 a year ago. Coal, coke, lumber and pulp and paper were the chief types to record gains over the corresponding week of 1932.

* * *

Wholesale prices were slightly lower in September than in August, according to the index of the Dominion Bureau of Statistics. This decline, however, was chiefly the result of a drop in prices of vegetable products, many items in the fibres and textiles, wood and products and iron and products groups advancing during the month. The index was 68.9 in September compared with 69.4 in the previous month.

* * *

August retail sales, as judged by the Dominion Bureau of Statistics index, showed strength when compared with the two previous years. There was actually a slight decrease from the July total but this was considerably smaller than the usual seasonal decline. What decline there was resulted from large declines in boot and shoe and clothing sales and a smaller decline in drug store receipts. Other groups reported increases. The combined index was 73.2 in August as compared with 73.6 in July and 74.4 in August a year ago.

Fewer Immigrants from U. S. Feature Recent Reports

A total of 1,247 persons entered Canada as immigrants in August, this being a decrease of almost 36 per cent from the 1,944 recorded in the same month of the previous year. The decline is practically confined to persons coming from the United States, only 681 entering from that country in August as compared with 1,337 in August, 1932. Persons entering from the British Isles numbered 264 as compared with 270 in August a year ago but northern European races were only represented by 56 members as compared with 92 a year ago. The total for other races was 246 as compared with 244.

Among individual races no important increases are shown. There were 46 Hebrews as compared with 38 a year ago, and 40 Poles as compared with 28 in August, 1932. Germans declined to 38 from 52 and French from 5 to 12 a year ago.

Orders for the New

Dominion of Canada
1933 Refunding Loan

Will receive our prompt
and careful attention

Royal Securities Corporation
Limited

244 St. James Street
MONTREAL

330 Bay Street
TORONTO 2

Offices in all Provinces

BIG INCREASE CAN. EXPORTS LUMBER LINES

Both West and East Coast Points Increase

EXPORT TO CHINA

Australia Also Proves Good Market — Strong Sterling Helps in Great Britain

From Our Own Correspondent

OTTAWA.—Rise in sterling exchange coupled with the British embargo against Russia and the opening of greater markets in China and Australia have brought substantial improvement to the Canadian lumber industry. While it is recognized that some of these aids have been fortuitous and that permanent betterment may have to await the enforcement of Article 21 of the Anglo-Canadian treaty, there is a feeling of optimism apparent in recent discussions between leaders of the industry and the government.

In any event, the month of August marked a record volume of lumber exports from British Columbia and in the first five months of the current fiscal year (April to August) exports of lumber from Eastern Canada to Great Britain show a striking increase over last year.

Change Export Set-up

This improvement comes at a time when the government is preparing to make several changes in the statistical set-up of the export trade. Recently it was reported that a change in the lumber schedule of the tariff was under advisement. It is now stated, however, that this is not the case. But a complete revision of the language used in the various lumber items as shown in Bureau of Statistics trade returns has been decided upon and will shortly be made effective.

The gains in exports from Eastern Canada to the United Kingdom are shown in figures just compiled at Ottawa. In the fiscal year 1932-33 total exports of planks and boards of fir were 91,783 M.b.f. In the five months ending August 31, last, the exports were 65,125 M.b.f. Exports of spruce were 51,715 M.b.f., against 89,705 M.b.f., in the five month period. It is anticipated that exports of spruce planks and boards will show an increase this fiscal year of more than 300 per cent.

Australian Trade

On the Pacific Coast, there is considerable satisfaction that Canadian lumber has practically ousted all competitors from the Australian market. Credit for this is given to the Australian treaty negotiated in 1931.

But more recently, in October, 1932, Hon. Harry Stevens made an experiment with exports to China which is working out very well. Mr. Stevens entered into a contract with the British-Canadian Steamship Co. whereby a subsidized service was put on from British Columbia to China and/or Australia. The contract calls for one sailing per month, although the company may make two sailings per month with the permission of the minister. The subsidy amounts to between four and five thousand dollars per voyage. So far the sailings have been restricted to China.

Subsidy Extended

This contract was originally made for one year, but has been extended until March 31, 1934. It assures low ocean rates on lumber, fish and grain. And the chief items of return cargo are peanut oil and peanuts.

As a result of these sailings exports of lumber to China have risen from 17,800,000 feet in the six months ended June 30, 1932, to 57,000,000 feet in the first half of this year, and the outward movement is said to have grown in volume in the last three months.

U. K. Market Good

Creating a new record, August exports of lumber from British Columbia in August of 75,432,000 board feet were more than two million feet greater than the previous high month of August, 1929, according to figures issued by the Pacific Lumber Inspection Bureau.

Since the beginning of this year a definite uptrend in the lumber industry for British Columbia has been noted. This despite the fact that the market in both United States and Japan has considerably dropped off since the first of the year. Comparative August figures follow:

	Board feet
August, 1929	73,077,000
August, 1930	62,935,000
August, 1931	48,328,916
August, 1932	27,405,000
August, 1933	75,432,000

Of the total order of 130,844,671 feet of board lumber placed on the Pacific Coast by outside interests, British Columbia received 69,388,054 feet.

The United Kingdom market has practically doubled over that of last year, for the eight months of this year. In 1932, 68,880,000 feet were exported, while this year British interests ordered 128,410,000 feet. The largest gains have been noted in Great Britain, China and Australia.

Eight Months Figures

The figures for the eight months of this year show an increase of 20,000,000 feet over all of last year when 108,410,000 feet were exported.

Heavy Summer Demand Postpones 1934 Autos

Two New Cars Have Appeared But Large Firms Still Busy With 1933 Cars — Strikes in U. S. A. Hold Up Plans

Announcement of the majority of 1934 automobiles will not be made for some time, The Financial Post is informed, although advertising of the 1934 Nash and Studebaker has already appeared. Unexpected summer demand for the 1933 models has kept factories busier than usual during the past three months and it is stated that this has held up plans for 1934 models more than any other factor. In the United States, where plans for almost all cars sold in Canada are drawn, this summer activity has been even more marked than in Canada. Efforts to supply the demand for 1933 cars has pushed 1934 plans into the background.

Added to this unaccustomed activity, the current strike of almost all the die and tool workers in the Detroit district makes continuation on construction of new models impossible. While a delay of a few days in tooling work would not seriously embarrass the industry, any extended cessation of work in these shops would make it difficult for the producers to complete their preliminary work without delay to the introduction of the 1934 cars. The fact that actual tooling work has been delayed in many instances owing to the sustained strength of retail sales would make a prolonged strike particularly serious.

Effect of U. S. Strike

Canadian manufacturers do not feel that the United States' strike will affect their production in any way but their plans are not yet far advanced with the exception of Studebaker, already mentioned. A representative of one large Canadian manufacturer told The Financial Post that no word had yet been received from the United States head office regarding the 1934 models. Another manufacturer felt that there would be no hold-up in the production of 1934 models but gave no indication that these would appear in the near future.

The fight for the leadership in the popular price class has been more severe than ever this year with Chevrolet, Ford, Plymouth and Dodge taking the majority of the business. No word regarding the 1934 models of any of these automobiles has leaked through from the factories, but it is to be expected that plans are at least in the blue-print stage. Certainly, there will be even more intensive competition in 1934 for what would appear to be an increased market.

What of Ford?

Ford has never released the much-talked-of and long-awaited smaller car which was expected to mark a new low price in the industry. Perhaps the lack of success of the Continental in the United States and the Willys in both Canada and the United States proved a brake on activities. The possibility of a radically new small four or eight for 1934 cannot, however, be overlooked.

Draftless ventilation, introduced in 1933 models by General Motors with their "No-Draft" system, is probably the feature of the two 1934 cars announced to date. In the Studebaker models, the draft elimination is achieved by a system much after the pattern of the General Motors patent, a small section of the front window moving on a swivel. The new Nash models feature a completely moveable window.

Streamlining Stressed

Streamlining is being further developed, this being particularly true of the new Nash. Both front and rear wheels are almost entirely enclosed and lamps are streamlined into the front and rear fenders. The general appearance is reminiscent of the "Silver Arrow" of the Pearce Arrow company which was exhibited at automobile shows throughout the country in the spring.

Predicted higher prices are not substantiated by Studebaker, quotations for all models being lower. Factory base prices of the three groups in Canada are as follows: Dictator $895; Commander $1,225; President $1,510.

JAPAN OFFERING MANY PRODUCTS IN WORLD TRADE

Growth of Trade in Past Few Years Remarkable

Much has been heard in the past year of Japanese competition with Western manufacturers in world markets but unless one has studied the situation closely, the extent of the manufacturing activities of this eastern nation is not realized. Advertisements appearing in the current monthly publication of the Japan Exporter, Tokio, give some idea of the diversity of products now being produced there and offered for export.

Styles and advertising follow the best practices of both North America and Europe and many of the lines advertised are ones not usually associated with Japan. For example, the inside front cover of the magazine features a full page advertisement for Iwayama and Co., Limited, manufacturers of the Mor Power line of automobile accessories. These accessories range from storage batteries and ignition parts to wheels and brake linings. Pistons, repair tools, springs and chains for automobiles are also advertised and offered for export.

Business Grows Rapidly

Export of electric lamps and bulbs from Japan is a large and growing business. With the exception of British India and France, exports in 1931 were considerably greater than in the previous year to all of 16 countries. It is interesting to note that 1,296,000 electric lamps and bulbs were exported to Canada in 1931 and 1,008,000 in 1930. While figures by countries are not available for 1932, exports of electric light bulbs show a total of over 273,000,000 as compared with 151,472,880 in 1931.

Other articles offered for export include the following: electric switches; fountain pens; raincoats and rubber cloth; Cellophane; flashlights and electric batteries; straw braids for making straw hats; cigarette lighters and cigarette cases; electric clocks; cutlery and table wear of all kinds; many kinds of paper and paper products; rubber footwear; elastic webs and elastic braids; and radios.

Manitoba Employers Favor Public Works Scheme

The Employers' Association of Manitoba is the latest industrial group to express itself as favorable to a government backed plan of useful public works construction to relieve the present unemployment situation.

At a series of meetings held during the last two weeks of September, this question was discussed and the resolution passed calling upon civic, provincial and the Dominion Governments to formulate a plan whereby a programme of necessary public works will be commenced forthwith and that credit be provided to enable private enterprise to commence necessary self-liquidating works, both of which would provide employment at reasonable wages.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	Weekly Latest 1932	Cumulative Jan. 1 to date 1933	Cumulative Jan. 1 to date 1932
Transportation—				
Car loadings (Sept. 30)	51,229	51,813	1,451,607	1,626,874
C. P. R. gross earn. (Sept. 30) $	3,604,000 $	4,760,000 $	80,141,000 $	89,003,000
C.N.R. gross earn. (Sept. 30) $	4,430,828 $	5,599,839 $	103,999,698 $	114,759,330
	Monthly			
C. P. R. net earn. (Aug.) .. $	738,601 $	697,206 $	6,968,122 $	6,808,793
C. N. R. net earn. (Aug.) .. $	1,007,031 $	‡466,191 $	‡1,151,485 $	362,885
Iron and Steel—				
Pig iron, tons (August) ...	35,233	5,992	103,132	90,510
Steel, tons (August)	48,659	26,710	228,199	234,704
Automob. prod., No. (Aug.)	6,079	4,067	50,881	51,205
Auto Vehicles—				
Passenger, sales, No. (Aug.)	3,358	2,646	33,454	33,362
Trucks & buses, sales, No. (August)	552	559	4,055	5,641
Auto. exports, No. (Aug.) ..	1,754	1,566	12,258	6,225
Construction—				
Building permits (July) ... $	2,082,302 $	4,412,169 $	12,189,591 $	28,753,213
Contracts (September) ..... $	8,386,900 $	9,646,500 $	63,480,700 $	109,636,300
Newsprint—				
Production, tons (Aug.) ...	194,262	157,919	1,268,833	1,304,657
Exports, tons (August)	165,880	152,760	1,140,419	1,217,986
Sugar—				
Imports, raw, lbs. (August)	66,650,000	98,885,200	374,671,000	519,853,000
Melt. & ship., lbs.*	63,270,428	82,116,218	495,720,370	569,162,759
Manufactured, lbs.*	60,377,719	81,916,973	485,758,000	550,000,818
Flour—				
Production, bbls. (Aug.)	1,443,692	1,272,009	8,045,597	8,406,423
Wheat flour exp., bbls. (Aug.)	480,288	330,382	3,057,427	3,148,987
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (July) ...	116.18	37.85	458.68	445.83
Boots and shoes, pr (June)	1,965,647	1,559,192	8,823,892	9,129,585
Petroleum, imp., crude gal. (July)	118,271,494	104,209,139	381,537,889	555,187,131
Cotton, imp., raw, lbs. (July)	9,790,000	3,590,000	50,556,000	53,693,000
Rubber, raw, imp. lbs. (July)*	2,670,000	3,425,000	18,748,876	30,096,659
Coal, imports, tons (August)	1,294,410	1,198,210	6,464,597	6,643,542
Gasoline sales, gals (June) .	48,802,000	51,253,000	198,508,000	213,058,000
Trade—				
Imports (August) .... $	38,747,030 $	36,527,262 $	242,321,524 $	314,285,344
Exports (August) .... $	44,723,252 $	41,314,120 $	302,162,200 $	306,435,613
Wheat exports, bus. (July) ..	16,373,532	19,620,224	99,742,109	87,825,296
Labor—				
Employment Index (Sept.) .	88.5	86.0	....	....
Electric Power—Output—				
M. Kilowatt hours (Aug.) ..	1,508,213	1,236,220	11,034,168	10,312,284
Finance—				
Failures, No. (July)	142	175	1,281	1,412
Failures, Liabilities (July) . $	2,289,454 $	2,986,840 $	21,645,249 $	24,208,290
Bank debits† (August) ..... $	2,648,513 $	2,115,675 $	19,371,609 $	16,828,259
Bond sales (Sept.) .... $	382,597 $	73,191,947 $	249,088,772 $	271,594,753
Insurance sales (Aug.) .... $	27,263,000 $	23,370,000 $	235,736,000 $	281,372,000
Automobile Financing—				
Used cars (August) .... $	901,829 $	1,161,564 $	7,726,229 $	9,846,542
New cars (August) .... $	906,611 $	1,023,187 $	7,734,716 $	10,068,652

*Four weeks period, Aug. 19 to Sept. 9. †(000's omitted). ‡Deficit.

SEA FISH CATCH SHOWS INCREASE

Both Pacific and Atlantic August Catches Higher

Fishermen on the Atlantic coast landed some 54,000,000 pounds of fish of all kinds during the month of August, for which they received approximately $663,000. On the Pacific coast, there were landed slightly more than 52,300,000 pounds of all kinds, for which the fishermen received some $1,257,884.

While the increased landings on the Atlantic coast were largely in cod, herring, hake, sardines and the less expensive varieties of fish, the increase on the Pacific coast was in the landings of salmon, which accounts for the increased value. The increase on the Pacific would have been much larger had there been a normal catch of pilchards, but for some unexplained reason these fish did not show up and so were not taken in their usual quantities.

The following table shows the catch and landed value figures of the sea fisheries by provinces for the month of August as made up from the unrevised returns compiled by the Dominion Department of Fisheries:—

	Catch lbs.	Landed Value $
British Columbia	52,332,800	1,257,884
Nova Scotia	26,623,100	312,082
New Brunswick	16,038,700	199,297
Quebec	9,937,700	110,753
Prince Edward Island	1,466,400	40,654

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Fehrenbach Mattress Company has commencer business in Kitchener, Ontario, and will manufacture mattresses to sell direct to the public. Albin A. Fehrenbach, for 20 years superintendent of one of the largest mattress factories in Ontario, direct the company.

Provincial Wood Products Co., Limited, has started manufacturing in Saint John, N.B. It is expected that 100 employees will be on the payroll in a short time.

Fewer Failures Reported; Liabilities Also Lower

Assignments under the Bankruptcy and Winding Up Act show a considerable decrease in number in August as compared with August, 1932, while the liabilities of the assignors also are considerably lower. Commercial failures number 150 as compared with 188 in the same month of the previous year and 142 in July 1933. Estimated liabilities of the assignors amounted to $2,357,510 as compared with $2,825,097 in August, 1932; when compared with $2,228,454 in July, 1933 a slight increase is noted.

Trading establishments furnished the largest number of failures, 75 assigning in August, 1933, as compared with 74 in July, 1933, and 106 in August a year ago. Of these concerns 12 were general stores, 10 grocery, 6 confectionery, 3 fish and meat 4 boots and shoes, 5 dry goods, 8 automobile and 4 electric apparatus. Manufacturing establishments to the number of 30 assigned in August, 1933. Agriculturists assigning numbered 5 while there were 20 failures in services, 6 in construction, and 3 in transportation and public utilities and 1 in fishing.

Commercial failures for the first eight months of 1933 number 1,431 as compared with 1,600, 1,416 and 1,538 for the same periods of the three previous years, respectively. Aggregate defaulted liabilities for the first eight months of 1933, were $24,002,759 as compared with $27,023,387, $27,715,048 and $34,466,967 for the same period of the three previous years. A considerable decline from 1932 and previous years is noted in this latter comparison.

New Brunswick Power Board Sales Increasing

From Our Own Correspondent

MONTREAL.—An increase in both industrial and domestic demand for power is reported by Hon. F. A. Reilly, chairman of the New Brunswick Electric Power Commission. The gain in industrial load is said by Mr. Reilly to reflect increasing activity in New Brunswick's manufacturing centres.

The sale of power appears to have reached its lowest level, in that the increase has been continuous since early summer. The entire district served by the commission has been favorably affected. A large number of new customers have been linked up with the commission's distribution system, more especially in the rural areas.

Commodity Prices

	Week ending Oct. 7	Previous week	Same week last yr.
Cattle, cwt.§	$4.50	$4.65	$5.00
Copper, lb.	.09	.09	.06¼
Cotton, lb.	.0950	.0995	.0665
Rubber, lb.	.0790	.0888	.0340
Sugar, raw, lb. .	.0353	.0355	.0316
Silk, lb.	1.70	1.85	1.75
Wheat (Man.) bu.*	.60¼	.61¾	.48¼
Hides, lb.	.10½	.12	.08
Coffee, lb.	.07⅜	.07⅝	.08¾

Weekly Indices

N. Y. Annalist‡ .	105.8	106.6	93.9
Fishers'	♦71.1	71.4	†62.0
N. Y. Journal of Comm.■	71.4	71.9	58.4
Crumps (Brit.)*.	64.1	64.2	†62.4
U. S. Labor▲ ...	71.1	71.5	....

†Average, 1932. ♦Oct. 7.
‡Week to Sept. 26. §Oct. 5.
*Week to Sept. 30. *Oct. 7.
▲Sept. 30. ■Oct. 7.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (September) ...	68.9	69.4	66.9
Retail (August) .	78.6	77.2	81.4
U. S. Labor (Aug.)	69.5	68.9	65.2
Gt. Brit. (July) ..	69.0	68.6	65.9

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper — electrolytic, New York; silk — Japanese, 13-15, New York; sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee —Rio, No. 7, spot, New York.

COMING
This Month

See page 16

RAILWAY BOARD MAY MAKE INQUIRY INTO OIL FREIGHTS

Ottawa Informed Through Rate to Permit Refining in Transit

From Our Own Correspondent

OTTAWA.—Many protests have been received by the Board of Railway Commissioners with regard to an impending change in freight rates on oil. The change is supposed to come into effect early in November and it is thought likely an enquiry by the Commission will be started before that date.

The precise nature of the change has not yet been decided but from the general purpose in view it is clear that the oil industry in Canada will be vitally concerned. As understood by officials of the Railway Commission, it is proposed to put into effect a through freight rate on oil, somewhat along the line of the through rate on wheat. There is a through rate on wheat which permits the grain to be milled in transit.

Small Refiners Protest

The plan is to work out a through rate on oil which will permit refining in transit. The rate will cover rail costs from the point where the crude oil is shipped to the point where the manufactured products are sold. But as proposed, this new and low freight rate is to apply only if a refinery ships out at least 65 per cent of the crude oil it takes in. It is contended that many small operators in Canada will be deprived of the benefit as they ship less than 65 per cent of their intake by rail.

The new structure is being worked out by the United States oil producers, the American railways and the Canadian companies. Any enquiry by the Railway Commission, of course, would cover only the transport of oil in Canada.

Oil company officials state that they know of no such impending change in freight rates although some such rate was effective in Western Canada. It is purely a matter of interest to the railroads, it is stated, which are giving this rate only to encourage the further use of freight cars after crude is delivered to refineries. The railroad company officials claim that the whole intention of the rate given would be frustrated if little refineries get the lower rate to refinery and then ship out in motor tanks to the territory immediately around.

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Canada Leads Empire in Tobacco Export to U.K.

Canada at present occupies a dominant position among Empire suppliers in the British market as far as tobacco is concerned. In both 1932, and 1933, imports from Canada for the half yearly period amounted to over half the total imports. Normally imports from Nyasaland have been larger than from the Dominion and prior to 1932, Southern Rhodesia and British India also exceeded Canada as sources of supply. The Canadian supply in the first half of 1933 was 10,642,146 pounds out of a total of 19,281,872 pounds.

Consumption of Empire tobacco as a whole is on the increase in the United Kingdom. In 1919 the import of Empire tobacco for home consumption amounted to only 1.01 per cent of all tobacco cured. In 1932, however, clearances of Empire tobacco amounted to 21.68 per cent of the total. The upward trend still continues and was 23.63 per cent in the first six months of the present

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LOSS OF EXCHANGE AFFECTS INCOME ON PAPER EXPORTS

Decline in Premium on U. S. Funds Cuts Into Earnings

From Our Own Correspondent

MONTREAL.—Premium on U. S. funds has provided the Canadian newsprint manufacturer with an important source of revenue over the last 12 months. The trend of exchange rates recently has not been favorable, from the standpoint of those selling in the United States, and revenue accounts over the next year will reflect the change.

No official figures are available to show the extent to which the Canadian newsprint companies benefitted when the Canadian dollar was selling at a heavy discount last year, but it is conservatively estimated that income was increased by at least $10,000,000 in 1932.

Offset Price Reduction

Last year newsprint manufacturers in this country produced close to 2,000,000 tons of paper. Approximately 85 per cent of this amount was sold to publishers in the United States, who, in turn, paid in American funds. With the discount on the Canadian dollar, in relation to American funds, ranging from 10 to 20 per cent throughout the greater part of 1932, the net price received by the Canadian newsprint producer in Canadian funds was more than sufficient to offset the reduction in prices.

The premium on American funds during the first half of this year, while not as large as that prevailing at the same time last year, nevertheless, added appreciably to the income of the producers in this country.

Since mid-year there has been a marked increase in sales of newsprint to the United States. This has been particularly welcomed by the operators who have been able to step up operations and, in turn, bring down their operating costs.

Drop in Premium

The improvement in that respect is offset to a large degree by the drop in the premium on American funds. At present United States funds are at a premium of around two per cent. With widespread talk of monetary inflation in the United States it is unlikely that the value of the American dollar will show any material increase in the months immediately ahead.

Another feature of the exchange situation from the standpoint of the Canadian newsprint producer is the improvement in the value of the English pound sterling. A substantial volume of newsprint, though not to be compared with that exported to the United States, is shipped to England.

This paper is sold in competition with the Scandinavian producers and payment is made in English funds. When the value of the pound sterling dropped to less than $4, Canadian money, manufacturers in this country took a heavy loss on their English shipments. The business was not given up, however, as the volume was important in keeping down manufacturing costs.

Recent months have witnessed a sharp upturn in the value of the pound sterling to the particular benefit of Price Bros. and Company and International Paper who are the largest shippers to the English market.

The net result of the vagaries of exchange rates in recent months has been against the Canadian newsprint manufacturer. An important consolation, however, is the upward trend of sales in the American market. If the recent gains are maintained the producer in this country will be fully compensated for the loss of premium on American dollars.

New Style in Dividends Is Set by U.S.A. Company

The National Distillers Products Corp. has started something by advancing the date to October 16, 1933, for payment of its dividend in warehouse receipts for whisky to common stockholders of record October 2, 1933. Market interest has switched from the stock itself to the dividend, and brokers are now selling over the counter warehouse receipts on a when, as and if issued basis at 7½ bid, 7⅞ asked. As the dividend is a case of whisky of 24 pints in bond for each five shares, this shows the market willing to pay five times this amount plus $5.95 a case for taxes, storage, insurance and other charges for a case of whisky, or about $43.50 a case. Expressage from Kentucky warehouses, it is estimated, would in many cases bring the cost to $50 a case delivered to shareholders, who would pay all charges on the whisky when they take delivery on the repeal of prohibition. By that time each may have to pay about $6 a case in federal and state taxes.

Others May Try

The possibilities from an advertising point of view of such a dividend are not being lost on other companies which are long on inventory and short on cash, or which need all their cash for projects now in hand. The brokerage business may become much more complicated and possibly more remunerative if, in addition to sales of shares, the brokers find themselves dealing also in dividends made up of products of companies whose stock is listed.

Such a practice is obviously limited to companies which sell products used constantly by most of its shareholders. National Distillers, Hiram Walker-Gooderham & Worts, Distillers Corp.-Seagrams, Canadian Industrial Alcohol and Brewers and Distillers might be considered by recipients to be paying such a dividend in the right spirit but shareholders in Canada Cement, Canadian Locomotive, Steel Co. of Canada and Consumers' Gas might find themselves embarrassed by a dividend in cement, locomotives, steel rails or gas.

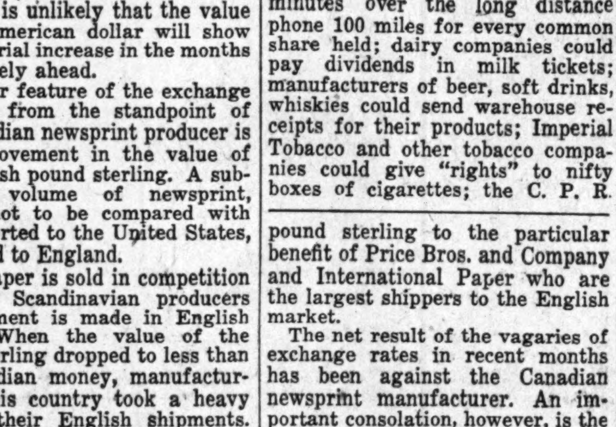
Take it Out in Talk

Bell Telephone could give a bonus dividend in the right to talk three minutes over the long distance phone 100 miles for every common share held; dairy companies could pay dividends in milk tickets; manufacturers of beer, soft drinks, whiskies could send warehouse receipts for their products; Imperial Tobacco and other tobacco companies could give "rights" to nifty boxes of cigarettes; the C. P. R. could even pay a bonus in mileage coupons exchangeable in paying for tickets, flour companies could give coupons for "so many" pounds of flour of leading brands to each share and Canadian Marconi could extend the use of its facilities to shareholders as one way of paying a long deferred dividend. But how could Canadian Dredge pay a dividend in services, how could Massey-Harris and Cockshutt Plow suit the city shareholder by a plow dividend. Holding companies could do nothing like this and neither could companies operating outside Canada.

Merchandisers Can Do It

It is an idea which may reappear, however. It is quite feasible for merchandisers like Simpson's Ltd., Holt, Renfrew & Co., Loblaw Groceterias, Dominion Stores and Consolidated Foods, and manufacturer-distributors like Laura Secord, Honey Dew, Canada Bread, Consolidated Bakeries, Hunt's, George Weston, Ltd., Canada Biscuit, Christie-Brown & Co., Viau Biscuit Co. and Canada Dry to give coupons which may be exchanged for desired merchandise within certain dates. Blue Ribbon Tea Co. could pay a dividend quite acceptably in its product. Imperial Oil, B. A. Oil, McColl-Frontenac and other Canadian oil companies could give coupons payable in gasoline and lubricating oil at regular retail prices. These rights, if interchangeable, would be of real value.

Canadian Wineries and T. G. Bright & Co., Ltd., who are prevented by the laws of Ontario from advertising their products, might find such a dividend—if legal— a way of keeping their product before their shareholders at least. Canadian Canners could very well, in some year of over-production in one or more lines of vegetables or fruits, give a bonus payment in those particular lines. Goodyear Tire & Rubber Co. could give Canadian shareholders a real opportunity in tires and other rubber goods. Many of these companies accompany dividends with letters urging shareholders to act as disinterested salesmen for their companies' products. It is only another step to sending them the product itself.



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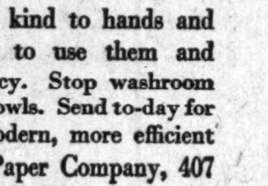

BRITISH CANNERS INCREASE OUTPUT IMPORTS DOWN

Canada's Advantage is in Displacing California Under Preference

British investors and British industrialists have fully awakened to the possibilities and prospects of the canning industry. So many canneries have been opened and so many appeals made to investors on behalf of new companies that widespread warnings have been issued from authoritative sources against mushroom development with its lure to inadequately financed and inexperienced canners. Canada, several years ago, had its own sharp lesson as to what happens when shoe-string canners are financed to such an extent that overproduction occurs and distress selling by those who need quick money brings prices below the profitable point. In Britain that prospect has not yet been foreseen, most of the warnings being directed to the possibility of lower quality standards obtaining for home canned goods and thus hindering its healthy development over a long period.

Room for Canadian Exports

There is still plenty of room for Canadian canned goods which can establish an appeal to the British palate. As a matter of fact the foundation work for the British canning industry was done by California. By adroit advertising of their brands Californian exporters created demand and backed it up with uniform quality of pack. Even in 1932 75 per cent of California's export of asparagus went to England. All British imports of canned celery were Californian and 15 per cent of California's output of canned peas went to Great Britain.

The United Kingdom's annual fruit trade is estimated officially at $280,000,000 and home production accounts for only about $50,000,000. Great Britain in 1932 imported fresh fruits to the value of $150,000,000 and dried, canned and fruit juices valued at $60,000,000. The annual consumption of canned fruits averages 150,000,000 cans and only about one-seventh of this in 1931 was made in Great Britain. Production has rapidly advanced since then.

Working Overtime

British canners have been working overtime all summer long. An unusually warm summer ripened fruit all over England and the gross output of the canning industry promises to exceed by 10,000,000 cans the 100,000,000 cans produced in 1932. In 1928 British canning showed a total of 7,930,000 cans, 83,000,000 cans in 1931 and 110,000,000 cans in 1932.

British farmers under contract to canners put down 75 per cent more acreage in 1933. This applies particularly to vegetables. Last year's vegetable canning equalled 60,000,000 cans. Californian pack formed two-thirds of the 3,000,000 cwt. 1932 importation of "fruits packed in syrup" with a value of $27,500,000. The preference duty gives Canada, Australia and South Africa their chance under these circumstances at the expense of California. Canadian Canners has again made good shipments of fruit to England.

The tinplate industry of South Wales has been greatly stimulated by the spurt in canning in the British Isles.

B. C. Sets Record

British Columbia's lumber exports by water during August exceeded those of Washington and Oregon combined and established a new record with a total of 75,432,801 board feet which is nearly three times greater than the output of August, 1932. The previous record for one month's shipments was 73 million feet in August, 1929.

TRADE CONDITIONS IN CHIEF MARKETS KEY TO PROGRESS

Canada Needs Betterment in Other Lands, Bank States

While the general level of business is still well above that of a year ago, the check applied in August to the marked expansion in some of the major industries has now been extended to a few of the secondary class, although full time operations prevail in certain textile mills, according to the current monthly letter of the Canadian Bank of Commerce. Whether the comparatively good condition of business will continue depends upon the turn of events in those countries which are Canada's chief export markets; so far, the favorable developments in these markets have more than offset the adverse influences of serious crop damage and receding grain prices.

The most outstanding of the complete August records now available are those in respect of the forest industries. Newsprint production increased over the preceding month as well as over August of last year, both gains being contra-seasonal developments. Taking the June-August records of this year, there is shown an output of paper about 20 per cent greater than that in the corresponding period of last year. At the same time a more active trade was found in wood pulp, so much so as to bring idle plants again into operation.

Record Lumber Exports

Export trade in British Columbia lumber during August is reported as of record-breaking proportions, although production was, in accordance with the usual trend, slightly below that of July; in Eastern Canada the foreign demand has been so large as to effect a material reduction in lumber stocks, to cause the largest summer cut in one of the major areas in recent years and to promise more activity in the woods next winter than in 1932.

Steel and automobile production fell slightly in August, although it continued well above the level of the late summer of 1932; the steel mills were then but little more than half as active as in August of this year. Export trade as a whole also declined, but was above that of August, 1932. Imports had a higher value—the increase over the like month of the previous year was the first of any consequence since November, 1929 — reflecting not only the greater purchasing power established abroad by a steadily expanding export trade in the May-July period, but also the higher prices paid for certain necessary imports.

Wheat Exports Small

The volume of exports would have shown a greater increase over August, 1932, had the overseas shipments of grains been even equal to those of the first month of the 1932-33 "wheat year," for there were increases in all the other major divisions of our export trade, the most noteworthy being in minerals. As it was, however, grain exports were smaller than in August, 1932 (and incidentally somewhat less than the monthly average permitted under the terms of the recent International Wheat Conference Agreement), notwithstanding that world trade in wheat was about 25 per cent higher. Canadian wheat exports continued beyond August in comparatively small volume (though the largest proportion of total exports) until the Winnipeg price was "unpegged" and thereby brought into line with the world quotation.

The most recent official report on employment, that of September 1, records the first gain over the corresponding season of a preceding year since 1930, as well as the sharpest seasonal rise in employment since 1929. The value of construction contracts awarded in September was less than in August, but the decline was smaller than a year ago, thus illustrating the comparative stability at, however, a sub-normal level, of building and engineering projects which has been a feature in this field for some months past. Rail freight traffic, which during the summer was above the level of 1932, has fallen off in September, as of course was to be expected having regard to the smaller crop movement consequent upon short grain yields in the Prairie Provinces and a delayed harvest.

Crop Losses Large

The following table, prepared from the Dominion Government's preliminary estimate of field crops for 1933 and from official reports issued in former years, is representative of the damage wrought by unfavorable weather during the greater part of the growing season.

	1st estimate 1933 bushels	Final estimate 1932 bushels	5-year average 1927-31 bushels
Wheat	282,771,000	*428,514,000	415,145,000
Oats	316,966,000	391,561,000	385,226,000
Barley	64,291,000	80,773,000	107,637,000
Rye	6,418,000	8,938,000	14,138,000
Flaxseed	756,000	2,446,000	3,638,600

*This total has recently been tentatively revised to 455,000,000 bushels but the final revision will not be made public until January, 1934.

Tobacco Crop Poor

Supplementing this table, it may be mentioned that late-sown grains and root crops are also less promising than in 1932 and probably 20 per cent below normal, while tobacco in the major producing area, Southwestern Ontario, is also well below the average. Tree fruits withstood the adverse weather better than all other crops and the commercial production is, on the whole, larger than that of 1932, the best results being in the orchards of Nova Scotia and British Columbia.

The weather of the past month has been so unfavorable as to cause practically a complete suspension of harvesting throughout the prairie grain belt, and, as this is written, nearly half of the crop is unthreshed. The effects of this prolonged wet spell have been felt mainly in the northern areas where harvesting is always later than in the southern prairies; in some sections of the first mentioned considerable sprouting and bleaching has been observed, as much as 50 per cent of some local crops being reduced in grade. Clear weather, such as prevailed toward the end of September, is now an urgent requirement for at least two or three weeks. The rains which fell previously, while detrimental to the unthreshed grain, were of benefit to late crops and to the ranges and pastures; accordingly, the feed grain situation was improved, but large-scale Government relief will be necessary in the worst drought-stricken districts.

In Central and Eastern Canada, and particularly in Ontario, a short period of wet weather was welcome to dairy and stock farmers

ANGLO-AMERICAN DEFICIT WAS $7,669 12 MOS. TO APR. 30

Hot Oil, Bootlegging, Over-Production Disappointed Hopes

Income of Anglo-American Royalties and Shares Corp., 408 Metropolitan Building, Toronto, Ont., for the year ended April 30, 1933, is shown by the financial statement to have been $12,783. Of this $10,848 came from royalties, $408 from dividends and $1,527 from premium on United States funds. Expenditures for this period amounted to $20,452 including provision for possible losses on royalty income withheld of $425, for depletion of royalty interests of $12,876 and provision for amortization of organization expenses and commissions of $4,700. With these provisions the net loss amounted to $7,669.

As at April 30 cash assets were very low at $14.70 and accounts receivable then stood at $2,822. Investments included shares at cost $71,565 and royalty interests at cost $128,757 or $200,322 in all. By the net loss for the year the deficit account was increased from $10,148 to $16,926.

Current liabilities are shown at $21,698 including bills payable of $20,230.

Class A shares, issued and paid up, amounted to 59,300 shares, and class B shares, issued and paid up, to 147,450 shares. This almost exhausted the class B shares but there are still remaining about 390,000 class A shares.

Hot Oil, Bootlegging Hurt

John W. Rogers, president, under date of August 18, 1933, said that the more hopeful expectations at the beginning of the year were not realized. The company was disappointed in its expectations due to overproduction, the running of "hot oil" and "bootlegging." This unfair competition affected the major companies to such an extent that they were forced to reduce the price of crude about fifty per cent. Later further reductions were made until the price of ten cents per U. S. barrel of forty-two gallons was posted for East Texas, all of which very seriously affected the company's income.

Mr. Rogers says there is a brighter side to the picture; as a result of plans conceived at Washington for the revival of business generally the price of crude oil has recently been increased and further increases are expected. Increase in the market price of the company's securities since April 30 has also improved that situation and those securities now show a loss of only $1,500.

May Sell Some Royalties

The company purchased an interest in First National Corporation and Mr. Rogers expects "this investment will realize a handsome profit over a period of time."

Since the report was published the item of bills payable has been practically eliminated, and negotiations are conducted for the sale of some of the company's non-producing royalties. If successfully concluded, this will yield a profit on the entire purchase, while the company will still retain half of the original interest. He states that these acreages have an excellent chance of becoming productive.

In answer to further questions Mr. Rogers tells The Financial Post that the operation of the Oil Code will on the whole affect the company favorably as he does not believe allowables in the fields in which the company is largely interested, will be cut down materially. On the other hand, he says, that if the United States definitely goes in for inflation it would appear that the company would lose the benefit of the exchange which it has been receiving.

CONSUMER DEMANDS STANDARD QUALITY

Newfoundland Canners Find U. S. Market Lost by Omission

Failure to study the needs of the consumer, long admitted to be one of the chief troubles besetting almost all of Newfoundland's industries, is again put forward as the reason for the failure of Newfoundland lobster packers to obtain a footing in the United States market.

At a recent meeting of the Board of Trade at St. John's, it was stated that this trouble would be investigated by a special committee appointed to consider means to increase foreign trade. The failure to standardize canned products was alluded to as follows:

"It has been brought to the attention of the council that the unsuccessful efforts to obtain a firm footing in the United States markets for local products can be attributed largely to the packing methods and failure to study the requirements of the ultimate consumer. Unattractive packages, poor pack, failure to match shipment with sample have been among the factors militating against the development of marketing our products in the United States. If we could bring about the establishment of a trade relationship which is based on the quality of the product, requiring no guarantee other than the name of the point of origin, the matter of marketing would then be a less formidable obstacle."

Canada's Garden City

The thriving community of St. Catharines has issued an attractive 40-page booklet outlining the peculiar advantages of the city particularly in respect of its proximity to the new Welland Ship canal.

Most of the material has to do with the history and characteristics of the new Welland Canal, the excellent material which was collected by the federal Government at the time of the official opening in 1932, having been used to good advantage by the municipality. In addition there is an eight-page market survey of the city and the community it serves.

Copies of the booklet may be obtained from H. H. Smith, City Clerk.

● COMING This Month

See page 16

Prevent diphtheria *from invading your home*

No More Diphtheria

Diphtheria can be Stamped Out!

November is Danger-Time

If you love them— Make them safe

Published by

METROPOLITAN LIFE INSURANCE COMPANY—NEW YORK

Biggest in the World, More Assets, More Policyholders, More Insurance in force, More new Insurance each year

THE message reproduced here, "No More Diphtheria," published in November 1923, contained facts unknown to a large majority of the people.

Many newspapers verified the statements and then, in the interest of local public welfare, reprinted the article in full in their news or editorial columns, or both. At the same time they urged local Boards of Health to see that every school child was protected from diphtheria. In 1923, the diphtheria death toll was about 1,500 in Canada.

The facts about prevention of diphtheria were retold in 1926 when the death list was about 900; and again in 1931 when the mortality was about 650.

It is encouraging to report that last year fewer children died of the disease than in 1931. But the sad fact remains that in 1932, many children, most of them under five years of age, died from the disease.

Your doctor will tell you that the toxoid inoculation against diphtheria is extremely simple and is neither painful nor dangerous. It leaves no scar and it gives sure protection from a disease against which, not many years ago, the science of medicine had found no defense.

If all the boys and girls in the country, more than six months of age, are inoculated now—and if in the future all babies are inoculated as soon as they are six months old—the death-rate from diphtheria will fall close to zero, and the promise made ten years ago "No More Diphtheria" will be fulfilled.

Metropolitan Life Insurance Company will gladly mail, free, its booklet "Diphtheria and Your Child." Address Booklet Dept. 10-F-33.

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT

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NOW READY

The series of eleven articles on Wills and Estates just concluded in The Financial Post have now been reprinted in book form, bearing the title,

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SECOND SECTION

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Tells Why Denmark Dominates United Kingdom Bacon Market

Canada Enjoys Preferred Position on British Market but Falls Far Short of Quota

By J. K. ROSS-DUGGAN,
Editor, Canadian Trade Abroad

The achievement of Denmark, with only 3½ million people yet supplying Great Britain with nearly two-thirds of its imports of bacon, one-third of its imports of butter and one-fourth of its imports of eggs, challenges the respect and close attention of Canadian producers.

Success of Denmark on the British market has been attained by the scientific organization of production whereby uniformity and regularity of supply have been ensured. This has been backed up by an efficient selling organization, supported by well-directed advertising. While others talk about what they are going to do about bacon production, Danish farmers grow lean pigs and sell good bacon. They have established a stable trade. They have no "in and out" policy for exploiting the British market when prices are right and turning to other sources of revenue when prices decline.

The Danes realized that the United Kingdom is their best market, and they have mobilized themselves accordingly. Even now when the dice are loaded against them by restricted quotas, they have taken steps to control pig production and bacon curing to meet the situation.

Where Britain Buys Bacon

During 1932, the total imports of bacon into Great Britain were 11,405,932 cwt. valued at £30,230,000 or $147,220,100 at par.

The principal countries of supply were:

	cwt.
Denmark	7,672,000
Poland	1,143,000
Netherlands	972,000
Lithuania	575,000
Sweden	430,000
Irish Free State	199,000
Canada	183,000

There are many advantages working in favor of Canada including a duty of 30 per cent upon Irish bacon, resulting in a reduction in Irish exports by 33 per cent to the smallest total on record.

During 1932, Britain adopted the principle of regulated supplies. This was met by a voluntary agreement among most foreign exporters reducing their shipments to Britain in the aggregate by 16 per cent.

Although the British Pig Marketing scheme *has for its objective the increase of home production at the expense of imports, yet the bacon market in Great Britain for Canada is an "open" market since we have plenty of leeway to make up in our quota.

The quota allotted to Canada under the Ottawa agreement was 2,500,000 cwt. valued at 1932 prices at £6,450,500 or $31,413,935 at par.

Actually we shipped 7 per cent of our quota in 1932. Even 1932 figures represent an increase of more than three times over 1931 yet envious eyes look back to the comparatively good year of 1927 when Canada shipped 503,000 cwts.

Strongly Entrenched

Canada has a wonderful opportunity right now to develop bacon exports to the United Kingdom. But European producers are already strongly entrenched. In addition to becoming more efficient both in production and marketing, Canadian producers must redouble their marketing efforts to retain and increase their share of British business. The foreign producers will fight to hold their business.

Essential is it, therefore, for Canada to take a measure of her principal competitor and carefully to study the principles and development of Danish bacon production and marketing.

The bacon industry in Denmark possesses strong vitality. The young men do not drift to the cities, but set about making themselves useful on the farms and preparing themselves in course of time to obtain their own holdings. They work as apprentices to farmers. Many attend agricultural colleges during the winter months, working on the farms in the busy spring and summer seasons.

Fifty years ago Denmark was in the depths of agricultural depression. Their national life had been shaken by the disastrous war with Germany, resulting in the loss of the rich province of Schleswig-Holstein. Out of their time of stress came a great leader, Grundtvig, who established the Folk High Schools, which had for their objective the renewal of the national spirit and the development of suitable industries to enable Denmark to repair the tremendous losses of the war.

Many Farm Schools

There are 90 of these Folk High Schools with over 12,000 students, and the formative education given is an important element in the success of the co-operative movement in farm industry.

In addition, there are over 16 agricultural schools, which are attended by the sons of farmers and farm laborers. Graduates assume leadership in the bacon and butter industries, and are generally found in charge of co-operative societies, creameries, etc. The schools are run by the co-operative societies and receive only a very small state grant.

Agricultural interests in Denmark are closely knit together. There are three principal organizations. The local co-operative societies are gathered together into associations covering various sections of the country to the number of 15 co-operative groups which, in turn, constitute the Central Co-operative Committee of Denmark.

Then, there is the Associated Danish Agricultural Society, which is a national organization of local branches comprising over 120,000 farmers. It is principally interested in educational work, and in the organization of conferences and shows.

The Royal Agricultural Society of Denmark is largely formed of estate owners and large farmers. The Government gives a grant to this society for the maintenance of advisers and experts to contact the farming community generally.

Supreme Farm Council

Representatives from all three organizations are appointed to the Agricultural Council, whose objective is the advancement of the general interests of Danish agriculture. This is a private body, entirely free from Government control. It acts as the line of communication between the farmers and the Government. One of its special studies is the effect of export supply and demand upon Danish agricultural interests. It acts as a clearing house for marketing information, and publishes reports and publications of practical interest.

Pigs are to be found everywhere in Denmark. On Jan. 15, 1932, there were 5,487,000 pigs in Denmark but restriction reduced this to 4,376,000 on April 18, 1933. Over 97 per cent of the farms are less than 147 acres in extent. About 1,000,000 pigs are carried on farms of 37 acres or less. Electric power is found on practically every farm.

Particular attention is paid to scientific pig breeding. It is recognized that a certain Englishman named Jack Spratt will eat no fat and that his wife's tastes do not count. Denmark provides the lean bacon demanded by the British market. There is much argument as to whether this is an effect or a cause. Do the Danes supply lean bacon because the English like it, or do the English like lean bacon because the Danes supply it? In any case, the preferred result is obtained by crossing large white Yorkshires with the native breed of pigs.

Maintain High Standards

The co-operative societies maintain boards with a record of high fertility and good bacon quality for use by farmers and provide every assistance in the way of testing stations.

There is considerable research with regard to the best feeding stuffs. Denmark possesses the great advantage of an unlimited supply of separated milk, which, when combined with barley meal, is considered to be the best feed. Even such a detail as the pasteurizing of the separated milk used for the pigs is not overlooked. This is a requirement of the law.

The bacon factories pick up the pigs from the farms on a regular round by motor truck similar to milk collection for the butter factories. The trucks are also used by the local co-operative supply society to deliver feed, manures, farm accessories, etc.

There are many large private bacon factories, many co-operative factories run by the farmers.

Export Only The Best

Some of the factories handle over a quarter of a million pigs a year. Inspectors appointed by the Government but paid by the factory see to it that only the very highest grade of meat is permitted to be exported. Payments depend not merely on weight but also on quality.

Some idea of the very serious attitude of Danes toward their export business may be judged from the fact that very little bacon or butter is to be found on the average table. Over nine-tenths of all the bacon produced is shipped abroad, almost entirely to Great Britain. The boats out of Esbjerg and Copenhagen run almost with the regularity of express trains.

Large scale pig farming in a concentrated farm area presents a situation which is easily controllable to ensure continuous and regular supplies to the Danish curer. Special attention is given to the disposal of by-products.

When Great Britain decided to ration her bacon imports on a quota basis, thus providing a favorable market for Canada and other Dominions as well as home producers, the Danes were faced with a problem of first-rate magnitude. But they were already equipped with the necessary organization to handle the situation without an immediate appeal to the Government for statutory action. The agricultural council immediately prepared a system for the voluntary limitation of pig killings, as well as renewed efforts to establish other outlets for pork products, both by increased home consumption and by exports to Germany, Belgium, Italy and other countries. This resulted in a reduction of pig killings for export by 20 per cent.

The Government by legislation further regulated production and exports. A card or coupon system was put into practice, whereby farmers delivered 20 per cent less than their usual average delivery paid for at British prices. Any pigs delivered above this amount were paid for at domestic rates. Later the export of bacon was made subject to license.

Further consultations between the pig regulating committee, the agricultural council and bacon interests are still proceeding leading to a more permanent method of regulation.

Two Marketing Systems

There are two principal methods of marketing Danish bacon. The preponderance of the trade is taken care of by British commission agents representing Danish factories, or groups of factories, either of a co-operative or a proprietary nature. These agents obtain orders and send them to the factories which forward supplies either direct to the wholesale merchant or to the order of the agent. Among wholesalers are some of the principal chain stores and multiple shops.

The Danish Bacon Company controls one-third of the total imports of Danish bacon into Great Britain. It is a co-operative sales agency for selling direct to retailers, controlled by the 17 Danish co-operative factories. It also purchases supplies from other Danish sources. It employs its own salesmen. The wholesale trade opposes the activities of the company in selling to retailers. This antipathy is, however, being overcome to some extent and considerable business is now being done with the large multiple shops, and also with some of the wholesale merchants, particularly in North England.

Visitors to Great Britain will remember the signs in the Underground advising patrons to ask for "English or Danish bacon." Prior to this development, however, the advertising activities of the company were directed to featuring Danish bacon as being of high quality, fresh conditioned, and of that lean nature which is attractive to the British palate.

Inspected in England

The agricultural council keeps a close check upon bacon on its arrival in England and thereafter.

(Continued on page 12)

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*Outlined in The Financial Post of October 7, 1933.

The Tide of Things

A Department of Independent Comment on Society and Politics

By WILLIAM HENRY MOORE

Living Off the People

DURING the several months that are to follow the country will be engaged in violent monetary discussion. Depressions are always marked by controversy in regard to money. The year of banking act revision, with its Macmillan report, should be particularly tense in financial interest. Always complicated, the subject will be more complicated by the influence of the Rooseveltian policy (whatever it may be).

Schemes for money magic will be multiplied. Within the past two years. I have had, at least, a dozen submitted to me for analysis. The author of one of them contended that he had exceptional qualification for the job in that he was not handicapped by academic training in finance and commerce. Perhaps the country is fortunate in the numbers of those who would lift us out of depression by diverse methods of manipulating money. There is still safety in some numbers.

Most of those who are working over the subject have a sincere desire to perform a service to the country. One may disagree with their views and regret the labors they have spent pounding over well-beaten ground, but one is compelled to admire their devotion to the cause of reform. There is one school engaged on the subject, however, for which admiration is to be given only by those who would like to destroy Capitalism.

* * *

LONG before Lenin had grabbed the Russian reins, he had advocated an attack upon capitalistic countries by undermining confidence in their units of currency. After the Soviet Government was formed, the amount of notes in circulation ran as follows:

	(In Milliard Roubles)
January 1st 1917	9.2
" " 1918	27.3
" " 1919	61.3
" " 1920	225.0
" " 1921	1,168.6
" " 1922	17,539.5
" " 1923	2,138,704.7

You will observe, as time goes on, the rate of increase is accelerated. During its first years the Socialist Soviet Government was living partially upon stocks of money seized from the old régime. In 1918 the Soviets printed 36,000,000,000 roubles, or about 550 carloads of paper and in eleven months of 1921 they printed notes to the amount of 17,404,000,000,000 roubles.

* * *

OF COURSE, our own inflationists would not be guilty of such an absurdity. I have set down the figures only to illustrate a lesson to be drawn from inflation. An enlarged photograph brings out the blemishes. At the tenth Congress of the Communist Party (1921) Comrade Preobrashensky, chairman of a special committee on finance, held up the Russian procedure of inflation as "highly instructive to all countries which will establish a Proletarian Government. For a certain time they will have to live by robbing the market" (i.e. the people).

You may reduce the figures, as you please, the principle remains the same.

Sinking Fund Bonds Costly and Perilous

Municipalities Should Use Installment Method of Issuing Debentures—Inefficient Accounting Responsible for Dilatory Budgeting

By THOMAS BRADSHAW
President North American Life Assurance Co.

Some municipalities, even in Ontario, but more frequently in Quebec, New Brunswick and Nova Scotia, still adhere to the costly and dangerous sinking fund method of issuing debentures. It has been proven over and over again that there is only one sound, safe and proper way for a municipality to issue debentures and that is by the installment method. Sinking fund debentures as issued are payable at the end of a specified time—10, 15 or 20 years—and in the meantime a sinking fund is supposed to be accumulated to meet the debt when it falls due. The installment method provides for the retirement of a specified amount of the debt each year, so that at the end of the time it is automatically paid off.

The essential difference between the two methods is that under the installment method the annual tax which is levied for the repayment of the debt is utilized in the year in which it is collected for the actual repayment and retirement of a definite part of the debt, thus reducing the debt early. The sinking fund method accumulates the annual levy at interest for the period through investment in securities until the debt matures as a whole—10, 15 or 20 years hence.

Installment vs. Sinking Fund

The advantages of the installment method compared with the sinking fund are:

1. The annual tax levied to provide for the payment of the debt is less under the installment plan than under the sinking fund. The reason for this is that it would be dangerous to assume that the annual sinking fund would earn, over the life of the loan, as high a rate of interest as the loan itself earns.

As an illustration of the saving to the ratepayers in adopting the installment method as contrasted with the sinking fund method, I refer to the experience of one of our larger cities which had to raise $1,500,000 by the insurance of ten-year debentures. Had they been issued on the sinking fund plan, the annual tax levy for repayment of the debt would have been $205,846, but according to the installment method, it was only $194,256—a yearly saving to the taxpayer of $11,588 and a total saving in the ten years of $115,588. By the installment method the gross debt is being reduced each year by the retirement and cancellation of debentures represented by the annual installments. By the sinking fund method the gross debt remains stationary for the whole period of the loan whether five, ten, fifteen or forty years. No part of it is retired until the end of the loan period.

3. By the installment method there is no necessity to keep a highly technical and exceedingly voluminous account of the sinking fund for each debenture debt—the annual retirement of debt and the cancellation of equivalent debentures eliminate this procedure. The sinking fund method necessitates that there be opened a separate account for each debenture debt; that there be credited each year the sinking fund installment; and that there shall also in the same account be credited to the previous year's accumulation interest at the rate of which the sinking fund has been established. The sinking fund method also necessitates a test being made each year in each account to determine that it is sufficient with subsequent credits and accumulations to meet the original debt at maturity.

4. The installment method does not require the purchase of securities by the municipality. The sinking fund method entails the necessity of purchasing suitable securities each year for the investment of sinking fund accumulations. This requires skill and judgment in respect to quality, date of maturity, and yield.

5. By the installment method there is no alternative except acknowledgment of default for a municipality's failure to provide for payment and retirement for the yearly proportion of the debenture debt for which it annually taxes its ratepayers. In the sinking fund method unfortunately, annual payments which should be paid into the sinking fund for the ultimate liquidation of the debt, are not always made, chiefly because of the pressure for payment of expenses and current obligations with the hope, often not realized, that the amount can be paid into the sinking fund later.

Sinking Funds

In addition to the advantages of the installment method enumerated, the issuance of debentures by the sinking fund method involves possible losses in the investment and care of sinking fund moneys.

There are some officials who feel that they are specially endowed to manage the investment and reinvestment of important sums of money which comprise sinking funds. Those who hold this view should be reminded that no super man has yet appeared, who has an infallible record in the investment of moneys. It is almost impossible not to suffer some losses; it is most difficult to be able to make the right kind of investments immediately when funds are available; it is impossible to know that year in and year out investments can be chosen to yield the essential minimum rate required; it is impossible always to purchase securities which will mature exactly when the sinking fund debt falls due; it is difficult to concede that municipal officials who may have sinking fund investing as only one of their duties can successfully match their judgment against the judgment of the shrewdest and keenest traders constantly dealing in the sale, resale, and exchange of securities. All of these elements are associated with the administration of sinking funds. And who would invite all those difficulties and pitfalls and many others when they can be avoided?

Practical Defects

The dangers referred to may best be illustrated by reference to defects in the practical handling of sinking funds which have been uncovered by investigation, some of these defects having caused serious losses to the ratepayers.

1. The annual sinking fund installment—according to necessity—should be invested immediately it is due, at a rate of interest at least equal to that which the sinking fund is supposed to earn.

In one particular municipality the sinking fund was calculated on an earning basis of 4½ per cent but the installments were allowed to remain in a savings account earning only three per cent. Then again it was discovered that some of the securities had been purchased to yield only four per cent. Of course, there could be only one result when the sinking fund debts matured—namely, the sinking fund was not equal to the maturing debt—and that of course meant a further levy upon the unfortunate taxpayer to make up the deficiency.

2. The accumulations of the sinking fund should be invested in unquestioned securities which can be realized upon when the respective debts fall due so that they may be promptly met. Here is the condition in one of our outstanding cities which has a funded debt of $43,206,563 and has persisted in issuing sinking fund debentures instead of installment debentures. In the sinking fund investments, which totalled $14,556,956—on last analysis, there was not a single bond of the Dominion of Canada and only $50,000 of bonds guaranteed by the Dominion. There was not a single direct bond of any one of the provinces; of the municipal debentures held, 25 per cent were debentures of municipalities in default. Other securities comprised first mortgages on real estate, agreements for the sale of real estate, some properties and a small amount of cash—What a commentary on the judgment of those who made these investments! If this municipality had issued its bonds on the installment plant, its gross debt would have been reduced by over fifteen million dollars and its ratepayers saved from impending heavy taxation to meet the inevitable loss which will be sustained.

Accounting Methods

3. The amounts turned over to the sinking fund should be accurately accounted for and an assurance given that such amounts will be sufficient to meet the maturing debt. I would like to quote the experiences of a third municipality which has persisted in issuing its debentures on the sinking fund method. This municipality issued 20 years ago debentures for $65,000 maturing this year. When the treasurer was faced with the necessity of digging up funds out of the sinking fund to meet it, he found they were not there. Such investments as were on hand did not mature in 1933. He attempted to effect a sale, or realize upon those that were available. This could be done only at a loss which would deplete the fund. It was also found that the sinking fund was woefully short of the amount that it should have accumulated. What was he to do? The debt was due in a few months and had to be met promptly, otherwise the municipality would default and its credit be destroyed. He got authority to put out a new issue of debentures so as to refund the old debt.

But note the consequences.

(a) The poor taxpayers are being compelled to commence all over again to pay yearly taxes for a loan which they have already paid for in taxes during the last twenty years.

(b) When the new debentures came on the market and the purpose for which they were issued was discussed, namely, to refund an old debt, what happened? I know as an actual fact that some investors to whom they were submitted refused to consider them at any price—in other words, the credit of the municipality had been greatly impaired.

In another municipality it was discovered that regularly for years, while the ratepayers had been taxed and levies collected for the annual amount due the sinking fund, the levies had not been paid into that fund, but had been partially utilized for other purposes, and were represented by heavy arrears of taxes. In this case when the debenture debt fell due a crisis was reached and in order to prevent default, or the municipality being sued, the municipality obtained special power to issue new debentures for the old debt, and while the authorities knew that these could not be marketed the holders of the original debentures were approached and requested to exchange their maturing debentures for the new ones. Finally part of the old debt was liquidated by taking moneys from the sinking fund which should have been applicable

(Continued on page 15)

Aemilius Jarvis Canada's Dreyfus? Queries E. C. Drury in Disclosures

Ex-Premier of Ontario Conveys Startling Implications in Articles for Maclean's Magazine

"Have we a Canadian Dreyfus?" asks Hon. E. C. Drury in discussing the trial and conviction of Aemilius Jarvis for conspiracy in 1924 in a series of articles concluding in Maclean's Magazine for Oct. 15. Mr. Drury was premier of Ontario in 1920 when Jarvis made his ill-fated bond transaction with the province. Aemilius Jarvis is internationally known as a yachtsman and horseman, and before his conviction headed one of Canada's best-known bond houses. The articles convey some startling implications.

That the Jarvis case was a red herring drawn across the trail of other provincial irregularities; that Peter Smith, provincial treasurer at the time, conveniently "kept his mouth shut" to the prejudice of justice; that sinister forces have worked to keep the case from being retried; these are among the challenges in the Maclean's articles.

Goes Back to 1919

Mr. Drury's comment on the Jarvis case goes back to September, 1919, when the Hearst Government sold a $4,000,000 loan to the Home Bank, without tender, this being a transaction which Mr. Drury thinks is peculiarly important to the Jarvis case. The Hearst Government was defeated in the election of October, 1919, and the Drury farmer-labor group came into power.

The now famous Jarvis deal was made between January and April, 1920. In it Jarvis contracted with the Drury administration in February, 1920, to "buy in" certain sterling bonds of the province which were outstanding in England. There were three issues, 3½'s of 1946, 4's of 1947 and 4½'s of 1965, the latter two being free of provincial succession duty. The deal was made because it appeared advantageous to buy the bonds at prevailing low prices and to eliminate the tax free feature. The proposition was that the Government was to pay Jarvis 80, 90 and 90 respectively for any bonds of the three issues which he could purchase. This plan came from the Government, not from Jarvis, according to Mr. Drury and others of his cabinet.

It was not until the Home Bank failed in the fall of 1923 that attention was focussed on the two transactions: that between McGarry, provincial treasurer under Hearst, and the Home Bank; and that between Jarvis and the Drury administration.

Home Bank Disclosures

Receivership of the Home Bank resulted in the discovery that unexplained payments of "legals," $1,000 bills, had been made and charged to the profits of the McGarry loan; that there was recollection by a bank official that $25,000 in "legals" had been sent from the bank to the Parliament Buildings; that a cheque for $15,000 had been issued to Peter Smith in December, 1919, and charged as a rebate on the McGarry loan, but had never been received by the province. This cheque had been made to Peter Smith or bearer, had been cashed without Smith's signature, and paid out by the bank in "legals." Smith's bank account in Stratford was seized, and it showed he had deposited $7,000 in "legals" on Dec. 22, 1919. "The hue-and-cry which had been hot behind McGarry and the former Hearst Government turned toward Smith," says Mr. Drury."

Here enters the strange Jarvis case. Smith's bank account disclosed deposit of $6,500 in coupons from bonds which were traced as having belonged to Aemilius Jarvis & Co. These bonds had been turned over by Jarvis to Andrew Pepall as commission. Pepall had a brother in the employ of Jarvis, and was also a personal friend of Smith's. Interest in the McGarry deal with the Home Bank for the Hearst Government waned, and the Jarvis transaction took centre stage. Smith was arrested. So was Jarvis, and his books were seized. They were charged jointly with theft, bribery and conspiracy, and came to trial in October, 1924.

The link between Jarvis and Smith was Pepall whom Smith, according to the Maclean's articles, had appointed as representative of the provincial treasury to go to England in connection with the purchase of bonds. Some time previously Pepall had made an arrangement with the Jarvis firm whereby he was to get a commission on any business turned in. So he got a share of the huge profits which Jarvis made on the deal.

Matters turned out well for Jarvis. Sterling had been at about $3.70 in New York early in 1920 when the arrangement was made. Between that time and April, when the transaction was completed, it fell to about $3.18 and then recovered to over $3.90. The timely exchange fluctuations apparently increased Jarvis's profits, which totalled £136,069. Jarvis obtained £3,657,842 of the bonds, ($8,889,545 at par) nearly 50 per cent of the issues, at a cost to the province of but $6,800,000. However, the spread was greater than the province had anticipated when the deal was made, says Mr. Drury, and Mr. Jarvis contended that he had not expected such profits.

The Jarvis firm's books disclosed that $368,000 in bonds had been paid to Andy Pepall as his share under his commission arrangement. The coupons which had been deposited by Smith came from some $140,000 of Pepall's bonds. The crown's contention was that Jarvis, through Pepall, had bribed Smith to do something.

Pepall in California

However Pepall had gone to California by 1924, and was in business there. When Jarvis and Smith were accused of theft, bribery and conspiracy, no immediate attempt was made to extradite Pepall on these charges. Instead, the province incited U. S. immigration officials to take deportation proceedings against Pepall on grounds that he had not entered the United States legally. This charge was laid in May, 1924, and was not withdrawn until Nov. 17, 1924. In the meantime, (October, 1924) Jarvis and Smith were found guilty of conspiracy, but not theft and bribery. Mr. Drury implies that the province either wanted to try Pepall only on the conspiracy charge or else did not want him to be able to testify here at all. He suggests that the U. S. deportation proceedings may have been taken against Pepall to keep him out of the way.

The trial of Jarvis and Smith may fairly be said to have hinged on three questions, comments Mr. Drury:

(1) Was the bargain as finally carried out in the purchase price of the bonds at the set prices of 80, 90 and 90 the real bargain made with the cabinet, or had it been varied by Smith and Jarvis to their own advantage?

(2) Did Smith accept a bribe to do this?

(3) Was there conspiracy?

Mr. Drury contends that the first question is settled by the evidence of himself and others of his cabinet as well as Jarvis that the bargain was carried out as arranged. The second question was bound up with the coupons deposited by Smith. The conspiracy charge hinged on the other two, says Mr. Drury, and cites the judge's charge to the jury:

"If this is not true, if Peter Smith never received these bonds, Andrew Pepall could prove it. If you believe Andrew Pepall's evidence and if Andrew Pepall swore that Peter Smith did not receive them, but that he retained them for someone else, Peter Smith should go free. Peter Smith has not given you the benefit of Andrew Pepall's evidence."

Charges and Convictions

Although Jarvis and Smith were convicted of conspiracy, but not on the other two charges, Mr. Drury contends that the jury was not clearly instructed as to what conspiracy is.

Now in addition to the joint charge against Smith and Jarvis, Smith was saddled with charges in connection with the $15,000 Home Bank cheque. He pleaded guilty, and so the details of this affair were never aired. "Perhaps an exceedingly embarrassing situation for the Government (of G. Howard Ferguson) was avoided," is Mr. Drury's comment.

After the Jarvis trial the U. S. deportation proceedings against Pepall were quashed. Extradition proceedings were taken in January, 1925. Pepall was returned to Canada and tried in November for theft, bribery and receiving moneys, knowing them to have been obtained through conspiracy. Mr. Drury thinks that the difference between conspiracy and the charge against Pepall is not very obvious.

By records of California banks, Pepall was able to account for all the bonds he had obtained from Jarvis as his share of profits. None of them had gone to Smith. The coupons Smith had deposited were explained as a loan from Pepall. As Pepall had not had cash available, he had given Smith the coupons. Pepall was acquitted on all counts. His presence for the Jarvis-Smith trial would have supplied the very evidence which Chief Justice Meredith stated would have been sufficient to clear Smith and Jarvis. Hence, Mr. Drury asks: "Were the unusual measures taken against Pepall in California merely a futile bungle, or did the Government wish to ensure that he would not be available for the Jarvis trial?"

Petition Ottawa

After the Pepall trial, prominent citizens petitioned the Department of Justice, Ottawa, for a pardon for Aemilius Jarvis. Leading financiers and barristers signed the petition after convincing themselves that Jarvis's innocence had been established through Pepall's evidence at his trial, according to Mr. Drury's final article in Maclean's of Oct. 15. The pardon was not granted by Ottawa. The Ontario attorney-general's department was opposed, it was understood.

This final and most sensational of the Maclean's articles then explains that the provincial attorney-general's office is almost invariably consulted before the Ottawa department acts. This is not theoretically necessary, but it has become almost constitutional in practice.

In 1928 a move was made by friends of Jarvis for a new trial. To one of these, Col. Moss, G. Howard Ferguson, then Ontario premier, now Canada's High Commissioner in London, wrote stating:

Lapointe's Attitude

"We have no authority or right to review that judgment (of the Court of Appeal) and the Department of Justice at Ottawa would doubtless feel, and very properly so, that it would be presumption on our part to invoke the sphere of its authority."

When this was submitted to Hon. E. A. Lapointe, then Minister of Justice of the King Government at Ottawa, his remarks were reported by Col. Moss:

"Yes, non-committal—the responsibility all on me. But how is it that whenever they communicate with this department officially they always oppose the granting of a new trial?"

Shortly after this, Hon. W. H. Price, attorney-general of Ontario, wrote to the Department of Justice strongly opposing the granting of a new trial. This letter is quoted in full in Maclean's. Mr. Drury comments that practically every paragraph "exhibits either absolute ignorance or disregard of the facts."

Summing it up, Mr. Drury says:

"In this amazing letter, in which Price constitutes himself judge, jury and court recorder, one thing seems clear. He was determined to prevent at all costs a retrial which might result in the clearing of Jarvis from the charge on which he and Smith had been convicted."

The new trial was not granted.

A plea in 1930 to Hon. Hugh Guthrie, Minister of Justice in the Bennett Government, met with the same fate. These refusals of a new trial, states Mr. Drury, cannot be justified under the circumstances, and both Ontario and Ottawa departments should be actuated by the common motive of seeing justice done.

Geo. S. Henry's Letter

The Ontario Government, thinks Mr. Drury, has a motive in convicting Jarvis and Smith on the joint counts and maintaining the convictions. With the final article is reproduced a letter to Mr. Jarvis, written in November, 1931, by Hon. Geo. S. Henry, present premier of Ontario. It reads:

"In reply to yours of the 27th instant (Nov. 27, 1931) let me say I regret I have not been able thus far to give much thought to your request. I would think, though, it would be advisable for you to still leave it in our hands. The bar of public opinion is apt to hit both ways. All the people of Ontario would not ask for your case being reopened.

"I quite appreciate there are very many influential people who think with you, but, as I say, there are political repercussions that we are seeking to avoid: hence our considering of the matter in all its aspects, and the delay in not giving a decision."

Of Mr. Henry, it is remarked that he is not the finished politician his predecessor, Hon. G. Howard Ferguson, was. He is less adroit, more frank, in Mr. Drury's opinion.

Political Repercussions

What "political repercussions" does Mr. Henry fear? asks Mr. Drury. Peter Smith is suggested as the answer. Smith pleaded guilty to receiving money from the Home Bank and was, therefore never tried on the charge. He failed to give the jury "the benefit of Andrew Pepall's evidence." If Jarvis is proved innocent, Peter Smith is also innocent of the joint charge, says the article in Maclean's. Smith remains guilty only of the second charge—that connected with the Home Bank. And if this be so, then indeed there are mighty "political repercussions" which supporters of the old Hearst Government may well fear.

The transaction with the Home Bank was not Smith's at all, it is pointed out. It was made by provincial treasurer McGarry of the Hearst Government. Connected with it there was $42,000 paid by President Mason of the Home Bank in "legals." before Smith was ever elected. There is also evidence of a former bank official that $25 000 in "legals" had gone to the Parliament Buildings; that a cigar box full of large bills,, "some thousands" had lain around McGarry's office; that part of the Conservative advertising campaign of 1919 had been paid in "legals." All these occurred about the time of the McGarry loan.

Mr. Drury concludes:

"If Jarvis, and Smith with him, is proved innocent of the charge on which he was convicted jointly with Smith, there remains an ugly, an evil residue, the 'political repercussions' of which mention has been made.

"No other explanation can account for the course of the Jarvis case, for the strange and persistent opposition of the Ontario Government to the demand for a new trial, supported as this has been not only by the facts produced at the Pepall trial, but by wide and powerful public opinion."

Mr. Bennett as Negotiator

The Guardian, Manchester

"The method remains unchanged whether the article he is selling happens to be a Dominion quota to Mr. Thomas or a United Kingdom wheat tariff to Mr. MacDonald, or a wheat control agreement to an expectant world. It consists of producing his return ticket in one hand and an ultimatum (usually known as a draft agreement) in the other, and stating that, as the former cannot possibly be deferred beyond the next day, the latter must be accepted forthwith, on pain of the displeasure of the entire Dominion and various other dire consequences adjusted to the occasion. Applied once again last week, it has once again succeeded. But there are considerations which may temper the triumph. One is that on some former occasions signature has not been followed by ratification. Another is that in none of the cases mentioned have the benefits promised to the other parties actually accrued."

The Daily Express, London

"Behind the success of the World Wheat Conference which was concluded late on Friday night, there lies a striking story of diplomacy, of the young diplomat and the old. It was 10.30 p.m. Mr. Bennett, the Canadian Prime Minister and president of the conference, was leaving for home next morning. An immediate signature of the agreement was necessary. Suddenly the young delegate of a leading European country took fright. He refused to sign. Mr. Bennett leaned toward him. In coaxing tones and with a joking air, Mr. Bennett said:

"'You are a young man. You are on the threshold of your diplomatic career. I am an old hand at such conferences. Take the advice of an old man. Take your courage in both hands. Sign this agreement. It cannot harm you.'

"The young man signed."

Wheat

From Our Grain Correspondent

Disregard Russian Competition

MARKET competition from overseas indicates curiously little interest in the Russian demand in London at a committee meeting of the London wheat conference for an export quota this year of 90,000,000 bushels or so, instead of the 42,000,000 bushels which other exporting countries had tentatively assigned to her. The market attitude appears to be that Russia will export whatever quantity she can spare, quite regardless of the agreement, but that her attitude as to her quota is not necessarily related to what she may have to spare.

It appears to be still believed that 40,000,000 bushels or so represents the probable maximum of her exports, and there is even doubt as to whether that quantity will be reached or not. Poor quality of Russian wheat exported so far this year continues to be a matter of comment and British wheat merchants are reported to have claimed, and to have secured, considerable adjustments because of recently arrived cargoes falling below stipulated quality.

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Small Danubian Shipments

THE comparatively small size of shipments to date from Danubian ports has created some doubts as to the ability of Danubian countries to fill the quota of 54,000,000 bushels assigned to them by the London agreement, particularly as Roumanian wheat, like Rusian, has been found this year to be of inferior quality. But it must be remembered that considerable quantities of wheat from this area, ascend as well as descend the Danube, or cross land frontiers, and shipments into Austria, Czechoslovakia or Switzerland might escape compilation.

Hungary claims to have a surplus of wheat after her export quota has been reached. She appears to have concluded arrangements with the countries named, as well as with Egypt, which will guarantee absorption of the full export quota allowed her, the Swiss shipments being an offset against money owing there.

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France May Cut Output

FRANCE'S current struggles with her wheat problems suggest that perhaps that country will decide it is better both for peasants and for the country as a whole to keep wheat production down to a point which will call for some imports. The French people have in the past been almost the world's greatest eaters of wheat, but the consumption of bread was dependent both upon its price and its quality. French wheat is excellent, but it requires an admixture of hard wheat to produce flour that will make the highest grade of bread.

Russian wheat, United States hard winter wheat and Canadian wheat have all been used for this purpose in the past. Just now the use of any foreign wheat is prohibited, a fact which has been the cause of complaints from millers, bakers, and bread consumers. The consumption of bread is falling off as it becomes less palatable, and the Government is having great difficulty in maintaining the guaranteed price of wheat to farmers. At par that would be equal to $1.25 a bushel, but at current exchange rates it would be close to $1.90 a bushel, a price which restricts consumption probably even more than does lowered bread quality.

Efforts to relieve the local markets by subsidizing exports, or by encouraging farmers to hold wheat to earn premiums by an increase in later price have not been successful. The cost of paying the guaranteed price to farmers for wheat that is subsequently sold on the basis of world prices is considerable, even when a satisfactory market can be found.

But soft wheats such as those of France are already plentiful in markets which can be reached, and the only import demand is for hard wheat. Neither France nor Germany, in fact can afford to export wheat at world prices. The plan formerly in effect in both those countries for encouraging export by allowing the import of an equivalent quantity of foreign wheat duty free will work only so long as millers are permitted to make use of foreign wheat.

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U. S. A. Wheat Stagnated

PLANS for the subsidized export of Pacific Coast wheat, in order that the United States may take advantage of the export quota allowed that country under the London wheat agreement are not moving very fast at the moment, because no one knows just where to send such wheat. It cannot go into the British market without paying the duty of two shillings a quarter imposed on foreign wheat, and besides Great Britain, with her own, and with supplies from Australia, has all the soft white wheat required. The continental demand is not for wheat of this type.

A good business was formerly done with China in flour made from this wheat, but China is manufacturing most of her own flour now, and has a duty against foreign flour, although wheat continues to go in free of duty. But the threat of this wheat being dumped abroad continues to be a weakening influence in world markets. Concurrently the failure to get it moving has been a weakening influence in the United States, for the market had been encouraged to believe that local supplies of wheat would shortly be depleted by thirty or forty million bushels.

Winnipeg Grain Prices

Week to October 10

Crop year from Aug. 1, 1933 High	Low		Open Oct. 4	High for week	Low for week	Close Oct. 10
		Wheat				
.89⅛	.59½	October	.60¼	.61⅝	.59½	.60¼
.68⅝	.60	November	.60¾	.62½	.60	.60⅜
.90⅞	.59	December	.60⅝	.61⅞	.59	.60¾
.95	.64	May	.65⅝	.66⅝	.64	.65
		Oats				
.45	.27¾	October	.30½	.30⅝	.27¾	.27⅜
.45⅜	.28½	December	.31¼	.61½	.28½	.28⅞
.48½	.31	May	.34	.34¼	.31	.31½
		Barley				
.55⅝	.31⅛	October	.33¾	.34⅛	.31⅛	.31⅛
.56⅞	.32½	December	.35	.35⅝	.32½	.32½
.59⅜	.36	May	.38½	.39¼	.36	.36
		Flax				
1.60	1.27	October	1.35	1.40	1.27	1.27
1.63½	1.25½	December	1.38½	1.42	1.25½	1.25¼
1.71½	1.34½	May	1.46	1.49¼	1.34½	1.34½
		Rye				
.62¾	.41⅝	October	.49½	.50	.41⅝	.42⅜
.50½	.43	November	.50½	.50½	.43	.43
.64½	.42⅞	December	.49⅝	.51⅛	.42⅞	.44¼
.68½	.46½	May	.53⅜	.55	.46½	.48¼

Grain and Milling in Canada

WINNIPEG WHEAT IN SPOTTY DEMAND DURING PAST WEEK

New Crop Deliveries Show Grade Weather Losses

From Our Own Correspondent

WINNIPEG.—The course of the wheat market has shown but little change during the past week. There is occasionally a fairly strong export interest, followed by a period of comparative indifference by oversea purchasers.

Markets abroad appear to be disturbed by the discovery that the French wheat surplus carried forward from last year was larger than anticipated, leading to the conclusion that last year's crop in France had been underestimated, and that both last year and this year France had produced over 370,000,000 bushels, with consumption severely cut down by the maintenance of artificial high prices.

A great deal of uncertainty prevails as to the probable outcome of Southern Hemisphere crops, and reports alternately lay stress upon the poor condition of crops in the Argentine and Australia, and upon the hope for improvement.

Small Exports

North America shipped 5,000,000 bushels of wheat and flour last week, just over half of the total world shipments, which again fell short of ten million bushels. Last year at the same time world shipments were 15,000,000 of which North America supplied 10,000,000. There was a reduction, however, last week of more than 3,500,000 bushels in the supply of wheat afloat to Europe, which now stands at 3,000,000 bushels less than a year ago. This was largely accounted for by exceptionally heavy arrivals in the United Kingdom, more than 6,500,000 bushels, far above average weekly needs. This appears to reflect arrival of Australian and Argentine wheat, put afloat some time ago. Russian shipments were again over 1,000,000 bushels.

Reported inspections still show fairly high grading of wheat coming forward from the country, which, however, is to a considerable extent last year's wheat moving out to make room for the new crop. Actual deliveries in the country have perhaps not shown the full amount of damage from unfavorable harvest and threshing weather that was expected, but it is believed that the grain yield to be threshed will be very disappointing in grade, and the full extent of frost damage has not yet been realized.

Futures Spread Narrows

The spread between October and May wheat has narrowed to less than five cents a bushel. All cash wheat continues to command a premium over the October future, so no deliveries have taken place on the October contract, although the premium on No. 1 Northern has narrowed to a small fraction.

The premium on No. 1 Hard has narrowed slightly, but is still almost five cents a bushel, while No. 1 Amber Durum stands at about four cents over. There are about half a million bushels of No. 1 Hard left at the head of the lakes, against about six times that quantity last year, and most of that grade still available in the country is being rushed forward to take advantage of current bids.

Chicago expects that the duty on rye will be increased by executive order from 15 to 22½ cents a bushel, considered to be the largest increase that can be made under the existing law, and that it might be still further increased as soon as Congress meets again. Discovery that considerable imports of rye had been made from Canada, and that shipments of rye were on the way from both the continent and from Argentine has caused agitation for this action. United States demand for brewers' malt is reflected in the premiums quoted for malting grades of barley at seven cents over top feed grades.

Former Pool Members Get Voting Privileges

From Our Own Correspondent

REGINA.—Voting powers have been returned to all who have signed contracts with the Saskatchewan pool since 1924 but who since refrained from doing so.

The right to vote will enable a larger vote for delegates to represent sub-districts but will not yet enable the reinstated farmers to be elected as delegates.

In a letter to farmers the pool states:

"In view of the extremely complex position existing in the world wheat situation, which involves among other things the practical working out of the international wheat agreement, it is obviously important that there should be the greatest co-operation among all wheat growers of this province if the advantages of this agreement are to be secured for Saskatchewan farmers."

Declining Gold Values Should Raise Wheat Price

Monthly compilation of factors tending to raise and lower prices, published by the Searle Grain Co., Winnipeg, in their monthly letter dated October 5, is as follows:

Factors Tending to Raise Price

The Canadian dollar in London declined in value from $4.76 to the pound on Aug. 31 to $4.85 to the pound on Sept. 30.

U. S. A. wholesale commodity price indices averaged an advance of approximately 2.2 per cent during the month.

Wholesale commodity price indices in Great Britain advanced .3 per cent.

"U. S. A. Department of Agriculture estimates world's wheat crop less Russia, China, Argentina and Australia, this year, will probably be about 250 million bushels less than last year."

Searle Grain Company crop report estimates wheat production, three Prairie Provinces, 269 million.

Dominion Bureau Statistics estimates crop all Canada 283 million—Prairie Provinces 264.

Continued good buying by European importing countries. World shipments for September approximately equal to September of last year.

Argentine Government estimates that as of Sept. 19 only 21 million bushels old crop wheat remaining for export. Neighboring South American countries continue fair buyers of Argentine wheat.

Private estimates that Argentine crop damaged at least 10 per cent by insufficient early rainfall, and that locusts are expected in November.

German wheat and rye crops estimated to be 504 million bushels as compared with 511 million bushels last year.

Growing conditions in Australia reported poor, excepting that good rains in south. Estimated crop will be less than last year.

German government prohibits increase in wheat acreage.

Snow reported in parts of Prairie Provinces.

Rains in France delaying harvest.

Russian wheat quality found to be poorer than expected.

U. S. A. expected to spend large sums purchasing surplus agricultural products for distribution to unemployed.

Roumanian corn crop estimated to be 59 million bushels less than last year.

Reports from 30 important barley producing countries indicate decreased production of 15 per cent as compared with last year. 24 oat producing countries indicate decrease of 23 per cent and eight important corn producing countries a decrease of 20 per cent.

Sanford Evans crop report as of Sept. 28 estimate Prairie Provinces wheat yield 268 million bushels.

German representative Wheat Conference Advisory Board estimates that had German unemployed been working they would have consumed 33 million bushels more wheat last year.

Official reports from Great Britain and other leading European countries that trade, commerce and business is increasing each month—that unemployment is substantially less than a year ago and that in Great Britain unemployment has decreased each month for the past seven months.

Factors Tending to Lower Price

Canadian export shipments of wheat for September 40 per cent of world's total as compared with 50 per cent same month last year.

Fair rains in Australia bring about improved outlook for wheat crop.

Good supplies of wheat for export available in Russia and Balkans.

Crops in Europe, Russia and Orient apparently better than anticipated.

France stated to have seven million bushels larger crop than last year and approximately 40 million bushels "carryover."

Private observers report Russian crops apparently abundant. Soviet's new method for collection of grain for the State apparently bringing good results.

Expected French consumption of wheat per capita will be curtailed so long as government insists on maintaining minimum price above world's parity.

Beneficial rains reported in Argentina in southwest Buenos Aires.

U. S. A. official report estimates 507 millions for all U. S. A.—seven million bushels more than a similar estimate of a month ago.

Reported U. S. A. will subsidize wheat exports from Pacific Coast.

Governmental guaranteed wheat price in England reported to be stimulating increase of acreage.

General opinion in U. S. A. that president will manage to avoid necessity inflation of currency.

Quality new Russian wheat between No. 2 and 3 Northern Canadian wheat.

France reduces by one-third all quotas on imported agricultural products.

Uncertainty with regard to monetary policy of U. S. A. government hinders free purchasing of wheat.

Reported Argentine and Australian crops improved by timely rainfall.

World rye production estimated to be only two per cent less than last year.

Practically no damage to European wheat crop this year, and quality decidedly higher than in 1932.

Spring wheat crop in Manchuria estimated to be over 58 million bushels, decidedly higher than last year.

Shipments of wheat from both Australia and the Argentine markedly higher than last year.

Rumors that U. S. A. government intends to recognize Russia.

In spite of substantially less crop this year than last ample supplies arriving at ports of importing countries.

Food Research Institute, Stanford University, California, revised upwards their previously estimated world "carryover" as of August 1, 1933, of 1,007 million bushels to 1,113 million bushels, or approximately 100 million higher.

FEDERAL ACTION TO CUT ACREAGE NOT INDICATED

Bennett Review of Wheat Parley Lays Stress on Cutting Carryover

From Our Own Correspondent

WINNIPEG.—Only by inference were eager westerners able to gather details of the Federal Government wheat policy from the address of Prime Minister R. B. Bennett to the Junior Board of Trade here this week.

Mr. Bennett laid great stress on the desirability of reducing wheat production in order that production and demand might be brought more in line, and insisted on the burdensome nature of the Canadian carryover. He reiterated a comparison with an overstocked merchant or manufacturer who would find it the sensible business course to reduce his inventory by selling off his stock on hand, and reducing further purchases or production, and brought in a reference to similar action some years ago in connection with automobiles by Henry Ford. It was quite clear that he believed farmers should cut down wheat production in 1934, and he was much more emphatic in this connection than was the Hon. M. A. MacPherson, provincial treasurer of Saskatchewan, his colleague at London in a recent address in Winnipeg, who took the view that Western Canada was really not committed to any very great reduction in 1934 by the terms of the agreement.

No Interference Indicated

Mr. Bennett laid his greatest emphasis, not on the letter of the agreement, but rather on the desirability of Canada cutting down the country's stock of wheat. In spite of that emphasis he said nothing to indicate that the Government contemplated, either by Dominion or provincial action, any interference with the right of individual farmers to seed wheat as they please next spring. Rather he left the impression, by a passing reference to the Saskatchewan situation, that he expected there would be a decline in Western wheat acreage next year, presumable either because of the grasshopper menace or the inability of farmers from other causes to complete their usual programme of wheat seeding.

The emphasis laid upon the reduction of inventory would have prepared his hearers either for a programme of enforced acreage reduction or an educational campaign to persuade farmers to reduce next year's acreage by considerably more than 15 per cent, for the latter, in the event of an average crop, would not promise a reduction in the Canadian carryover in the event of the per acre yield being normal.

A passing reference was made to one phase of the wheat agreement not yet made public, apparently an undertaking on the part of wheat producing countries not to allow further accumulations of wheat carryovers.

LAKE OF WOODS WILL RENOVATE BALANCE SHEET

Plan Capital Charges to Wipe Out Losses in Recent Years

From Our Own Correspondent

MONTREAL.—Losses which have been sustained during the depression year will be written off the balance sheet of Lake of the Woods Milling Co., providing approval is given by the shareholders to a plan which will be submitted following the annual meeting on October 25.

The plan asks for approval of reduction of capital represented by 147,689 common shares of from $5,634,450 to $2,953,780. This takes into consideration the fact that $2,680,670 of capital has been lost or is unrepresented by available assets.

Arrears on Preferred

At the end of the last fiscal year the company had outstanding $1,500,000 of 7 per cent preferred stock which has been in arrears of dividends since September 1, 1931. These arrears now amount to $210,000 and no proposal is made with reference to this.

Within recent years the company has expended large sums on the acquisition of bakeries in Eastern and Western Canada. These plants have been acquired with a view of providing the company with a permanent outlet for its flour. The bakeries in Eastern Canada were consolidated under the name of Inter City Baking Co., and those in the West under the corporate title of Inter City Western Bakeries Ltd.

One Bakery Defaults

At the end of August, 1932, Lake of the Woods investment in controlled companies was shown on the books at $2,311,387. The heaviest investment is in Inter City Baking Co. which has been able to report satisfactory earnings to date. Inter City Western Bakeries has not done so well, having defaulted its bond interest last May.

Expect Better Report

The general financial house cleaning which Lake of the Woods proposes to undertake will strengthen its position. In 1931 the company experienced an operating loss of nearly $1,000,000. Followed certain internal rearrangements and the following year the company showed an operating profit of better than $500,000.

The financial statement for the year ended last August is expected to show an improvement in earning power and a reduction in bank loans. The latter amounted to $3,210,000 at the end of August, 1932.

Record Annapolis Crop Greatly Reduced by Storm

While earlier reports from the Annapolis Valley, N.S., stated that the crop was the best in years, the yield and dollar return were greatly reduced by a severe wind and rain storm on October 7 and 8.

Estimates of the damage done by the storm are generally that 150,000 barrels of apples have been destroyed and the loss will be in the neighborhood of $400,000.

Montreal Power Energy Output Nears '32 Mark

From Our Own Correspondent

MONTREAL. — Kilowatt hour output of Montreal Light, Heat and Power Consold. has been on a better scale since August 12 than that prevailing for the same period last year. The increase in this period, according to an official statement, amounts to 7.65 per cent, a figure which would be higher were it not for the fact that there was an extra week of daylight saving time this year.

The aggregate output of power for the year to date is now 4.42 per cent under the figures for the corresponding period of last year. At this time last year the output was about 8.62 per cent below the same period of 1931. Prospects of the company overcoming the decrease during the balance of this year are considered as fairly encouraging at this time.

Electric Boilers Help

One of the principal reasons for the gain in output in the last six weeks and the small decline for the year to date, has been the sale of a fairly substantial block of energy for use in electric steam boilers. The company has not disclosed the amount of energy sold in this way, but judged by the number of installations the number of kilowatt hours is substantial.

During the past week the plant of the Dominion Rubber Co., at Montreal, converted its steam boilers from coal to energy. It is expected that McGill University will be using power in electric boilers before long.

Shares of Montreal Power held in brokerage accounts now total about 148,000 compared with the recent peak of 150,000 shares in July. Shares held by trust companies now total 221,000 as against 216,000 in July, while bank holdings amount to 137,000 shares compared with 135.000 shares a month ago and 138,000 shares in July. The total issue of stock amounts to 4,488,925 shares.

BRANDRAM PAINT TO SUBMIT PLAN TO BONDHOLDERS

Shareholders Approve Scheme at Meeting — Changes in Directors

From Our Own Correspondent

MONTREAL. — Shareholders of Brandram-Henderson Co., paint manufacturers, have approved a plan to be submitted to the consolidated mortgage bondholders whereby their bonds would be placed on an income basis rather than the fixed rate of 6 per cent as at present.

Affairs of this company have not been going smoothly for several months past. A number of the executives are known to have disapproved of general policies and tendered their resignations. It was expected that at the annual meeting the affairs of the company would be thoroughly aired, but as the press was excluded from the meeting no particulars are available.

Apparently the policies of the management were upheld by the shareholders, who elected an all-Maritime board of directors, the two members from Quebec and one from Ontario being replaced.

Earning Power Declines

Earning power of Brandram-Henderson has been restricted in the last two years. In 1931 net income amounted to exactly $100, while in 1932 there was an operating loss of $244,095.

Interest payments on the consolidated mortgage bonds due on March 1 last, were deferred. Obligations in respect to the first mortgage bonds are understood to have been met in full.

Of the consolidated mortgage bonds $825,000 are outstanding in the hands of the public. Only $155,100 of the first mortgage bonds are issued. The former bonds were sold to the public in 1919 by Nesbitt, Thomson and Co., and J. C. Mackintosh and Co. Interest and sinking fund payments were met promptly until last spring when the default occurred.

MORE CASH HANDLED BY PRAIRIE TRADE

Collections Better for Both Wholesaler and Retailer

Weekly trade report of the Canadian Credit Men's Trust Association, for the week ending October 7, is as follows:

Halifax. — Some improvement is reported in both wholesale and retail trade, with collections fair. Bank fishing has been good, but prices are low. Dried fish markets remain unsatisfactory with prices higher than last year. Prospects good for lumber industry. Cotton and woollen factories are well employed and improvement noted in the footwear business. Outputs of coal and steel ingot production are both in excess of last year's figure.

Saint John. — Continued improvement in wholesale trade with pick-up in rural districts. Prices have not strengthened to any material extent. Retail trade rather quiet but with dealers optimistic. Collections continuing fair.

Montreal.—Fair demand for wholesale groceries; some improvement in dry goods; seasonal improvement continues in boots and shoes, clothing and ladies' wear; novelties report very little change; hardware fair.

Toronto.—Retail prices appear to be strengthening and the report is that better quality goods are in demand. Motor car sales remain good while hardware distribution is fairly steady. Radio outlook fair. Shoe trade active. Confectionery good. Dry goods moving well. Collections remain fair.

Winnipeg. — Very fair volume reported in wholesale groceries; boots and shoes, and dry goods satisfactory; hardware fair. Retail trade fair to good; seasonal goods quite satisfactory. Collections on current accounts fair; slight improvement noted in country collections in some districts.

Regina. — Wholesale grocery line continues good; dry goods just fair; hardware fairly good. City retail trade reported as fair with little improvement noted as yet. Country merchants report a fair seasonal trade being done with a slight improvement over last year in most parts. Collections show general improvement.

Moose Jaw.—Wholesale boots and shoes reported fair; wholesale and retail groceries fairly good; wholesale and retail hardware quiet; dry goods fair. Collections fairly good.

Saskatoon.—Wholesale grocers steady; hardware sales steady; oil sales fair to good; dry goods and boots and shoes fair to good.

Calgary. — With the exception of wholesale and retail grocery sales, business appears to be moving fairly slowly.

Edmonton.—Wholesalers report country business active with collections slow on account of the weather. City business very quiet.

Vancouver. — No noticeable change reported in trade conditions over previous week. Wholesale and retail merchants report sales as holding their own. Collections remain fairly good.

MAY APPOINT CONTROL BOARD FOR YORK TWP.

City-Size Township Tries to Arrange Refunding of Bonds

York Township, larger in population than most Canadian cities, may be placed under a board of supervisors as a result of default of principal payments on debentures maturing Oct. 1. So far this has been avoided, but the question must be settled shortly because further principal payments are due on Nov. 1 and Dec. 1.

The township, which borders Toronto, has been attempting to arrange exchange of bonds for longer term debentures, with the sanction of the Ontario Municipal Board. But the board has decided that it cannot allow the township to do so without going under supervision, it is understood, although consent of a majority of bondholders has been obtained. From this it appears that the township must either go under supervision or get special provincial legislation enabling it to refund its bonds.

Steps which could be taken: (1) legislation to give power to the Ontario Municipal Board to allow defaulting municipalities to refund debt; (2) a special act allowing the township of North York to refund bonds; (3) appointment of a supervisory board to arrange the refunding.

Because there are obvious grave dangers in allowing municipalities to refund, the province of Ontario refused to legislate to this end for York township at the last session. In any event, of course, consent of bondholders would be considered necessary before any such legislation could be implemented by municipalities.

Political Difficulties

Political difficulties arise by reason of the efforts of York township to avoid a control board. Other municipalities keenly criticize actions of their supervisory boards. If, therefore, York township were to receive what might be considered special favors, through legislation mentioned above, other communities would be up in arms.

There is also the question of liability of township councillors in connection with apportioning expenditure of tax collections. Since the default, it is clear that bondholders might hold councillors liable, if funds supposedly collected for debenture service are expended for other purposes.

From all this, it appears that a supervisory board may be the most satisfactory method of settlement of the financial tangle. Since most bondholders have a signified willingness to take longer term debentures, it is possible that such a board might only have to act for a short period while the financing is arranged.

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Your Investments

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Dominion Taxation Voids Bond Pledges

Make Income Tax Deductions from C. N. R. Interest by Declaring Certain Bond Contracts Void

This year deductions have been made from interest on a number of Canadian bonds payable "without deduction from any present or future law or ordinance of the Dominion of Canada." Though such deductions seemingly are inapplicable, they have nevertheless been made. This has even been done on Dominion guaranteed C.N.R. bonds. Some observers consider this just another unmoral act in a period in which many pledges are being broken.

It appears that the Dominion has used its sovereign power to void pledges given in bond contracts. Legally the state has the power to do anything "except alter the sexes" without being liable to damages, according to authorities.

The deductions are the result of a special income tax passed by Parliament under the 1933-34 budget provisions. Canadian investors receiving premium on interest payments, due to high United States exchange, were taxed five per cent of the total amount received. For instance, on $100 interest, swelled to $110, say, by exchange premium, the investor was taxed $5.50. The tax does not now apply since the exchange premium on United States funds has gone below five per cent.

Specific Case

Recently an investor pointed out to The Financial Post that he got less than the full amount of interest even in Canadian funds because of the tax. He held a fully registered bond, on which interest is paid by a cheque from which deduction of tax had been made. The exchange rate was six per cent when the cheque was made out. When he got it on the payment date, exchange had fallen to five per cent, and the bank allowed him about four. So the five per cent tax ate up all the premium and more. The tax was not intended to do this.

Now another investor suggests that cheques for interest on fully registered bonds should be made out for the full amount and the tax, if applicable, be deducted by the bank at the time of payment. This would be the same as the practice followed with coupons from bearer bonds. If this is not done, it is suggested that the first investor should convert his fully registered bond into a bearer bond. Then coupons would be clipped, exchange collected, and tax levied on a more equitable basis.

In the case of C.N.R. bonds the tax amounts to a levy on what are virtually Government bonds. The bonds in question are payable in Canadian or American dollars or in sterling, without deduction, as stated above. When a deduction is made, investors feel that the terms of the bonds have been violated.

Investor's Viewpoint

Says an investor's letter to The Financial Post:

"Most of the purchasers of these bonds are not lawyers, and when they read in the bond that both principal and interest would be paid without deduction from any future law or ordinance of the Dominion of Canada" they thought it meant that it was a guarantee against just such a tax as that of the amendment of the Income Tax Act of last May. Surely it was meant for something other than eye wash for the purchasers.

"I assure you that the bondholders would feel grateful to you if you would get from these Government lawyers a clear specification of just what the guarantee in the bond means and what, if anything, it protects them against. They are loath to believe that the Government violated its pledge."

The Financial Post has legal opinion as to what such guarantees mean. They only signify that the protection to the investor shall be what suits the Government. The key is that the Dominion has the sovereign power to do what it wills without being liable for damages. In brief, the value of the pledge depends on the moral outlook of the Government. Legally the Government cannot be forced to observe its word.

An official of the C.N.R. points out that the Government altered the pledge in its guaranteed bonds under subsection 9, section 9b of the Income Tax amendment, which reads:

"Every agreement for payment of interest or dividends in full without allowing any such deduction or withholding shall be void."

Barefacedly, the C.N.R. man then points out:

"This is to ensure that the tax is borne by the person entitled to receive the interest or dividends and not by the person who has to pay the interest or dividends."

Altered Contracts

From this admission, it is evident that the amendment deliberately altered the terms of private contracts. This applies in the case of ordinary corporation bonds in this category and on the C.N.R. liens, which are considered virtually Dominion obligations. To this extent it may be confiscatory legislation. Thus, no matter "how loath to believe that the Government violated its pledge" the investor may be, the answer appears to be provided by this official of the Government railway.

The intent of the clause in bonds that interest was payable without deduction was to ensure the investor that any such levies would be borne by the debtor. Because, it could not be expected that no one should bear the burden of such taxes as might be levied. The Government by its new Income Tax legislation declares such clauses void, so that the investor instead of the debtor shall suffer the deductions. This is the admission which the C.N.R. official makes.

In the specific instance of the bondholder who actually got less interest after deduction of the tax than if he had received only Canadian funds, there is a further complaint against the C.N.R. and indirectly against the Dominion. The bondholder got a cheque for $21.38 in United States funds, in payment of interest which should have netted $22.50 Canadian funds. Upon cashing the cheque, and getting the prevailing premium only $22.24 in Canadian funds was received.

No Canadian Funds

The C.N.R. thought it was giving the investor every benefit in making out cheques in American funds because the rate of exchange was six per cent on the date set for drawing the cheques. The C.N.R. was clearly not responsible for the subsequent drop in the exchange rate. But bondholders had the right to get Canadian funds, if requested. If such had been paid, this particular bondholder would have got his full $22.50. He alleges that he asked for Canadian funds and did not get same.

This investor got the cheque for $21.38 American funds. He says he wrote to the C.N.R. treasurer, stating that he was holding the cheque to return it uncashed when the railway was ready to pay in Canadian funds as specified in the bond. No offer was made by the C.N.R., it is stated, to issue a new cheque in Canadian funds to replace that for $21.38 American funds. Thus, the bondholder thinks it is useless to say that he had the right to return the cheque and get one in Canadian currency.

The C.N.R. has pointed out to The Post that there are thousands of cheques to be made out and that it chose American funds in this instance because it seemed the best thing for the bondholders. The railway may have been negligent in not offering to send Canadian funds in full when this bondholder requested a new cheque.

Considered Default

The suggestion of a second investor that cheques should be made for the full amount and the exchange tax be deducted at the place of payment, appears to provide an answer to this problem. But on the larger moral question as to the propriety of the Dominion altering contractual obligations, no satisfactory answer has been supplied to investors. Many of them consider it partial or disguised default.

Naturally investors feel more keenly about this tax on the C. N. R. bonds than on other corporation issues. The fact that the railway's liens are frequently guaranteed by the Dominion brings what they consider unmoral practice into close relationship with what are regarded as the gilt-edged Canadian securities. In the case of corporation bonds it is felt to be bad enough. But in the case of the Government-nurtured railway, bondholders appear to think it comes too close to violation of a Dominion obligation.

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Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Duped by Old Racket

AN UNIDENTIFIED young man and woman, reported to be travelling in a Dodge sedan, worked an old racket recently to rob Charles Rainbow, St. Thomas, Ont., merchant, of $18.80 and two cans of paint. Mr. Rainbow received a telephone call asking him to send the paint and change for a $20 bill to 246 Wellington Street. A delivery boy was dispatched with the paint and change. As he reached the address given, the couple in the automobile hailed him, took the paint and change and tendered him a cheque for $20, which was later found to be worthless.

A similar racket was worked on Alf McIntyre, St. Thomas clothier. A young man and woman visited his store and bought a suit of clothes. In accordance with instructions, the suit was delivered to an address in the city. The boy who made the delivery was tendered a worthless cheque and the couple sped away in an automobile.

Many such rackets are being worked at present in Canada. Merchants should be cautious in dealing with strangers.

The same trick was played on a London, Ont., drug store. This time the racketeer gave a telephone call and named a well-known woman as wanting medicine in a hurry. The druggist was asked to send change for a $20 bill. The boy was intercepted by a man in a great hurry who took the change and gave a worthless cheque.

The same man 20 minutes later gave another address, and well-known name to another druggist but the delivery boy on being intercepted, refused to accept cheque. Police were notified but the racketeer is still at large.

* * *

Spanish Prisoner Very Busy

SPANISH prisoner letters and similar missives are becoming about as frequent as mosquitoes during the summer months, but Ottawa people are wise enough not to get "stung," says the Ottawa Citizen.

The Spanish prisoner is also working the Montreal district, the Montreal Star reports.

Lately a Montreal citizen received one of the form letters which are standard equipment. "I am imprisoned for bankruptcy," writes the unfortunate prisoner. "I have a valise in the parcel room at a railway station in France containing 1,200,000 pesetas in bank notes. If you will help me get out, I will give you one third of the money."

Afterwards, if a reply is received, the prisoner will oblige by telling how much money to send and where.

* * *

Egg Skins for Cataracts

ROYAL Canadian Mounted Police headquarters believe a medical racket is being worked among farmers in the Maritimes and possibly other sections of Canada. A warrant has been issued for a man giving the name of Dr. A. R. Macumber, of Montreal, to whom G. Enos Dares of Rhodes Corner, N.S., said he paid $987 for an operation on his eyes.

According to Dares, the operation, which lasted 15 minutes, consisted of the doctor squirting a few drops from a bottle under the eyelid and extraction of an alleged cataract. According to the police, the "cataract" was the inner skin of a soft boiled egg, deftly inserted under the eyelid during the operation.

According to Dares' story to the police, he was visited not long ago by a stranger who gave the name of Hamilton and who attempted to sell him glasses.

An examination by Hamilton disclosed cataracts on Dares' eyes. Hamilton then told Dares it was fortunate he had with him an eye specialist from Montreal, Dr. A. R. Macumber.

According to Dares' version of the operation, Macumber emphasized he used no knives or surgical instruments, removing the cataract by means of a liquid and manipulation of the eyelid. The operation, performed in Dares' bedroom, lasted 15 minutes. He was shown a piece of scum or skin about the size of a dime, which Macumber told him was the offending cataract.

* * *

Slot Machine Chances

SLOT-MACHINE addicts in Canada may be interested in the following calculation of Professor E. E. Free of New York University as to the chances of winning (more properly losing) on a common type of slot machine.

"When the player drops a coin he has 1 chance in 8 1/3 of getting two slugs back; 1 chance in 12½ of getting four slugs back; 1 chance in 8 1/3 of getting eight slugs back; 1 chance in 250 of getting 12 slugs back; 1 chance in 500 of getting 16 slugs back; 1 chance in 1,000 of getting a jack-pot."

* * *

Automobile Stealing Ring Alleged

SUSPECTED as one of the principals in an automobile stealing ring of interprovincial proportions, and charged with conspiracy to detain and receive stolen automobiles, Jimmy King Horn, 33 years of age, Montreal, was recently committed for voluntary statement when he appeared before Judge Lacroix for preliminary hearing, faced with the testimony that four cars found in his possession on his arrest by the city police in August have since been identified as stolen property. Bail was set at $2,000 by Judge Tetreau and a request that the figure be lessened was refused by the judge, who said that, according to the crown case up to the present stage, accused is alleged to have been connected with an automobile-stealing ring of wide ramifications.

* * *

Rackets at the Window

SOME window-cleaning companies are merely clearing houses for information for the criminal fraternity, remarked a Bow Street Magistrate the other day in London.

Enquiries

Can. Malting

Is Canada Malting common a good buy? Are earnings better? If Ontario lets beer be sold in hotels and restaurants, will it help this company?

Business has been much better with Canada Malting recently and all sorts of reports are going out as to how much the increase has been. The company executives themselves admit that it is "satisfactory." Much, of course, will depend on how long sustained any demand on account of U. S. business may be. It may last three or four years. The company is well managed, has a good financial position and on the whole has maintained dividends quite well through the depression.

If the Ontario Government allows the sale of beer by the glass in hotels, brewers expect that it will help them and if that is the case it should help Canada Malting also.

Wellington Building

I hold a bond of Wellington Building Corp. and have been approached by a bondholders' protective committee which proposes a plan of reorganization for the company by which bondholders would acquire the property securing the bonds. Should I deposit my bonds in favor of this committee?

Since the London & Western Trusts Co. was appointed receiver and manager for Wellington Building Corp. in August, 1930, earnings have been substantially improved despite the fact that business conditions have made it extremely difficult to get new tenants. In the fiscal year ended July 31, 1933, the company earned net income of $29,797 on the basis of approximately 70 per cent of available space rented. Interest of $27,625 on the first mortgage bonds was therefore earned with some margin, even after payment of $7,812 for capital expenses which should hereafter be substantially lower. The trustee was able to pay to bondholders the equivalent of one year's interest during the past summer and another disbursement may be made within a few months.

There remain arrears of interest amounting to some $69,000 yet to be paid and principal is in default to the extent of $84,000. It is apparent that earnings, while sufficient to cover annual interest on the bonds, will not be sufficient to wipe out arrears of interest and principal before 1935 when $320,000 principal amount of the bonds matures.

The Bondholders' Protective Committee formed in Ottawa consists of A. George McHugh, chairman; W. F. Mayburry, M.D., A. G. H. Low, A. D. McRae and H. S. Black. Mr. Black formerly represented United Bond Co. which sold the Wellington Building bonds, is now engaged in the investment business in Ottawa.

The committee proposes that bondholders should deposit their bonds with London & Western Trusts Co., acting as depositary, under a deposit agreement that vests all the bondholders' rights and powers with the committee which can take any action it sees fit but cannot hold the depositing bondholder liable for more than 4 per cent of the face value of bonds deposited. The committee will distribute to depositing bondholders pro rata, any moneys received on account of principal or interest subject only to deduction of the committee's expenses.

The committee proposes to acquire the Wellington Building at a judicial sale and form a new company of which each present bondholder would get an equal principal amount of new income mortgage bonds and 20 shares of common stock for each $1,000 bond now held. Members of the committee would act as directors of the new company and would be empowered to issue first mortgage bonds that would rank ahead of the income mortgage bonds. Interest payments on the income bonds would depend upon earnings from the building but no interest would be paid until certain reserves were set up and then interest would not be over 3 per cent per year until 50 per cent of the income mortgage bonds were retired. Such provision might serve to increase the market price for the bonds above present levels but would also make certain that not more than 50 per cent of present bondholders would ever receive interest at the maximum rate of 6 per cent on the new bonds.

While the building can be put up for judicial sale at any time there appears to be no reason for immediate action. Renting of the building is now in the hands of the equity holders who are naturally interested in getting the company out of receivership. Despite difficult rental conditions of the past three years progress has been made by the present management and present income from the building would appear to warrant payment to bondholders of larger disbursements than are planned by the protective committee. It is not possible to predict that the protective committee would be as successful in renting the building as the present management has been. Eventually some reorganization of the company would seem inevitable if the present plan does not go through. Whether this would be as favorable or more favorable to bondholders than the scheme presently proposed it is impossible to say.

Saskatchewan Bonds

I have some 5½ and 6 per cent Saskatchewan bonds which I bought at 91 and 95½ respectively. Should I continue to hold them?

You have a profit on your investment in Saskatchewan bonds. The 6's are selling at about 99 and 5½'s at about 93½.

It is impossible to say whether you should continue to hold them. There is a risk, of course, as the much higher interest return on the investment, compared with Dominion bonds, indicates. Saskatchewan has been hard hit by crop failures in some parts. Certain southern sections have had this for four years. As a result it is estimated that $10,000,000 will be needed for relief expenditures during the coming winter.

Saskatchewan has improved its budget position, and came near to achieving a balance in its fiscal year. But like other western provinces, it has been forced to get substantial aid from the Dominion to meet maturing bonds, and to finance relief expenditures. Some bond men take this to indicate that the Dominion would not allow a western province to default if that danger materializes. However, there is no guarantee that the Dominion could or would finance the west indefinitely.

On the other hand, there is no other type of provincial bond on which such high yields are available. It is a question of whether you wish to get this high return instead of greater security.

Investors' Syndicate

A representative of the Investors' Syndicate, Ltd., with head office in Minneapolis, recently made the statement that the syndicate had on deposit with the Ontario Government a sum sufficient to guarantee its commitments.

Can you tell me if there is any truth in this statement?

We understand from government sources that the company has on deposit with a trust company sufficient securities to cover its liabilities in Ontario, as shown by their own report. Taking the company's statement of its liabilities at any particular time under its investment certificates in Ontario at its full face value, securities deposited are sufficient to guarantee the commitments. This statement, it is understood is not audited, the Government accepting the company's statement as accurate. The Government does, however, check the totals of securities deposited with a trust company.

B. C. Packers

I would appreciate some information and advice on B. C. Packers which I am holding.

I purchased this stock at $4.50 and would like to know if you think this is a good stock for investment, as I am willing to hold same for several months. I will appreciate some details regarding this stock.

The pack made in British Columbia of salmon has been greater than in 1932. However, because of demands made by fishermen this company and other companies had to pay more for sockeye than previously and the sockeye pack, it has been stated by some close to the industry, has been made really at a loss. There may be some improvement if prices are higher. Much will depend on the demand from Great Britain and the prices that they will pay.

Simpson's Bonds

Has interest on Simpsons 5½'s and 6's always been paid? Is it a first claim on all Simpson holdings? Is the company in a good condition at present?

I have Massey-Harris 5 per cents due 1947. Have these ever deferred interest payments? Answer same questions as for Simpsons.

Simpsons, Ltd., is a holding company and the Robert Simpson Company is an operating company which operates all branches of Simpsons, Ltd. Simpsons gets its income from its holdings of common stock of the Robert Simpson Company and also from rentals of a number of buildings which it has leased to the Robert Simpson Company. It has been stated unofficially by those in close touch with the company that the amount received in rentals is sufficient to look after Simpsons' interest. So far as actual operating profits of the various subsidiaries are concerned the Robert Simpson Co. bonds and preferred stock would come before interest on Simpsons' bonds so far as these profits are taken over by Simpsons through ownership of the common stock, but on the other hand the rentals would be an operating cost of the Robert Simpson Company, and so long as the company is an operating entity Simpsons would get this part of its revenue before Robert Simpson interest and dividends.

Massey-Harris 5's have always paid their interest. The adverse feature is that for the last few years the company has had heavy losses because of the sharp drop in purchasing power of farm populations in Canada and elsewhere in the world. The company's hope lies in this purchasing power recovering. It has heavy accounts receivable to collect and it has large inventories. It may take years to liquidate these in a way which will be of marked advantage to the company. It also owes the bank a considerable amount. It is in an excellent operating position to take advantage of any real recovery of purchasing power in its markets.

MacLaren-Quebec

Will you please give me some information about MacLaren-Quebec Power 5½ per cent first mortgage bonds? What would be the company's prospects for a term of years?

MacLaren-Quebec Power Co. is a subsidiary of James MacLaren Co., a Quebec newsprint company which is believed to be in fairly good financial condition, but which does not publish a financial statement. MacLaren-Quebec Power, itself, has issued little in the way of information which would indicate its recent earnings.

MacLaren-Quebec has a contract with James MacLaren Co. to deliver 66,000 h.p. over a period of about 30 years. This is being delivered, and 125,000 h.p. is also being delivered to the Ontario Hydro-Electric Power Commission on a long-term contract. The Hydro deliveries have just started. The total developed capacity of the MacLaren plants is 216,000 h.p. The revenue from these two contracts should be sufficient to cover bond interest with a margin to spare. In view of the commencement of deliveries to the Hydro, earnings should improve. Revival of newsprint activity would also help.

However, the company will have to sell at least $6,000,000 of additional first mortgage bonds to cover costs of bringing plants into operation to fulfill the Hydro contract which became effective on July 1, 1933. The present bonds are now offered at about 80 on the open market.

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Were You Advised
TO *BUY* CHRYSLER *at* 33..?
Were You Advised
TO *SELL* CHRYSLER *above* 50.?

On August 7, when Chrysler Motors was selling around 32⅝ to 34⅛, members of McNeel's Financial Service were advised to buy the stock at those levels. This advice was based not on guesswork but on our knowledge of the company's immediate and future prospects. The advice to buy and hold Chrysler was repeated in many subsequent issues. On September 18, however, recognizing that the stock had outrun its immediate possibilities, members were advised through our regular weekly bulletins to sell the stock above 50. On that day it sold at 52½. Four days later on September 22 the stock sold at 41⅝—a drop of over 11 points from its high. The net result of these advices is that members who followed them made profits of almost 60% in less than six weeks. NOT PAPER PROFITS but ACTUAL PROFITS.

Following are excerpts from the bulletin of August 7 advising the purchase of Chrysler. (The entire bulletin is on record and will be furnished free to anyone who desires it.)

"We are familiar with the records of companies which have made a remarkable surge and attracted widespread attention but these surges have been of a purely temporary nature. Not so with Chrysler Corporation . . . in the six months ended June 30, 1933, Chrysler Corporation, for the first time in its career, attained second place in the entire automobile industry . . . the company reported earnings of $1.80 a share on the 4,315,076 shares of stock for the second quarter . . . Don't lose sight of the speculative possibilities of Chrysler stock when the market resumes its forward march. It is distinctly in the bargain class between 30 and 34."

Following is the complete selling advice in regard to Chrysler contained in the bulletin of September 18:

"Chrysler was first recommended on August 7 when it was available between 32⅝ and 34⅛. On August 28, when the stock was selling between 45½ and 47⅝ we reiterated our views. The stock has since sold above 52. The rise to that level has been brought about by a growing realization of what we pointed out, i. e., third quarter earnings approximating the $1.80 a share balance for the second quarter. We are nearing the close of the third quarter and while Chrysler could conceivably report earnings approximating the second quarter, the conservatism of the management might reasonably call for liberal reserves against third quarter earnings to provide something of a cushion for the fourth quarter when preparation is being made for new models. We recommend that profits be taken in Chrysler above 50."

AUGUST 7 ....CHRYSLER..32⅝ SEPTEMBER 18..CHRYSLER..52½

Chrysler is but one of the many profitable recommendations presented to members of McNeel's Financial Service in recent months. McNeel's has advised the purchase of stocks in general when they should be bought and advised the sale when they should be sold. Before the July 18th break we advised liquidation of stocks and following the break, which carried the average level of the market down over twenty points at a time when fear that liquidation had started anew, we courageously advised our members to re-purchase stocks around the low levels of the break.

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Insurance for Buyer and Seller

AETNA LIFE PLANS GRADUAL CHANGE IN RISKS WRITTEN

Will Transfer Casualty Lines to Associated Companies

Although Canadian life insurance companies have always concentrated on life insurance business—with the exception of the small amount of disability and accident insurance written in connection with their life policies—this condition has not existed in the United States. In that country it is quite common for a life insurance company to handle fire and casualty lines as well as life.

The decision of the Aetna Life to gradually transfer its casualty and fire business to other associated companies and concentrate on life insurance is, therefore, worthy of note as showing a trend toward the Canadian practice by one of the leading life insurance companies of the United States.

Establishes Trend

United States insurance publications refer to this change in the underwriting policy of the Aetna Life as far-reaching in its ultimate results and one which is regarded as significant of future development.

Effective October 1, the Aetna Life will start to reduce gradually its volume of insurance other than life insurance, diverting to the Aetna Casualty and Surety its casualty business other than accident insurance. Ultimately, probably in the course of 20 years or so, the Aetna Life will be writing life risks only. The first step in the new programme will be applicable progressively in various sections of the country and at the outset on October 1, will be effective in the territory west of the Mississippi River.

As far as Canada is concerned, The Financial Post was informed that the change is merely an internal one, all the associated casualty companies being owned by the Aetna Life. The Canadian branches of this company have only handled life business here.

The president of the Aetna Life and Affiliated Companies, in announcing the decision to change the underwriting policy, stated that the decision was reached after long consideration and much discussion, and will not precipitate any drastic change or effect immediately. The advantages which policyholders seek through the Aetna Life organization will still accrue to them, he said, Aetna Life owning more than 50 per cent of the stock of the Aetna Casualty & Surety.

Three Separate Companies

In the course of time what is believed will be a more satisfactory manner of conducting the various lines will be in operation. Casualty and surety business and allied lines will be placed in the Aetna Casualty & Surety; the fire insurance lines will be placed in the Automobile Insurance and Standard Fire, while the Aetna Life will handle the life business.

Stockholders of the Aetna Life will share in the benefit accruing through the security of the writing of pure life insurance business as the sole risk, it is stated. In passing over the business the company has been accustomed to write in its accident department, the stockholders will continue to share in profits derived through stock ownership in the Aetna Casualty & Surety Company. The profits are expected to be larger with this class of business handled in the latter company, judging from the highly satisfactory underwriting results shown by the company.

The placing of the fire insurance risks in the Automobile and Standard Fire brings all of a similar line under the underwriting department's specialists skilled in this type of business, the announcement of the change states.

Two Insurance Companies Seek Securities Release

Notice is given in the current issue of the Canada Gazette that Lloyds Insurance Company of America, which absorbed and assumed all obligations of Lloyds Casualty Company, has ceased to carry on business in Canada, and that it will apply to the Minister of Finance on December 23, 1933, for the release of securities forming its deposit to the provisions of the Foreign Insurance Companies Act, 1932.

Policyholders in Canada are advised that any opposition to such release should be filed with the Minister of Finance on or before December 23, 1933. Notice is also given that General Indemnity Corp. of America has ceased to carry on business in Canada and will apply to the Minister of Finance for release of securities on December 23, 1933.

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Head Office—Wawanesa, Man.

Says Fire Losses Cut Through Prevention Work

Propaganda on Dominion Association Fills Definite Need — Almost All Fires Are Preventable, So Elimination of Carelessness Prime Necessity

By W. H. SHAPLEY,
President, Dominion Fire Prevention Association

The endless record of destructive fires reported by our newspapers from day to day must indicate to every thoughtful citizen of Canada the need that exists for such an organization as the Dominion Fire Prevention Association.

For the past fifteen years this association, composed of representative national bodies, has been attempting through numerous avenues to impress upon the people of Canada the needless economic waste imposed upon the country by fire. The work has been carried on in the face of many discouragements but, on the whole, the members are more than a little proud of what has been accomplished. The results of the work, in terms of the dollar, speak for themselves. When the first organized campaign was launched, Canada's annual loss was in the neighborhood of $55,000,000. Each succeeding year has shown a reduction from this figure and last year the loss was $42,800,000. What the actual saving may have been in tangible property values and human lives is not capable of estimation. We feel certain, however, that the task in which we are engaged is eminently worth while as a contribution to our national well-being.

Large Monetary Loss

Fire-waste is largely a financial matter. Last year our losses amounted roughly to $4.06 per capita of our entire population, or $20.30 for the average family of five persons. Through the medium of insurance this loss became a tax which has to be paid in the same manner as any other tax, namely, by its addition to commodity costs. The butcher and baker, as well as every other tradesman, added to the selling price of his goods the cost of his fire insurance which represents the fire waste. The ultimate consumer pays that cost in every article of merchandise he purchases.

Now the question is whether we shall permit this costly and quite needless form of taxation to continue without making a serious effort to curtail it. Experts claim that practically every fire can be prevented. We believe that at least one-half of the fires are caused by gross carelessness and indicate wanton negligence of the most elementary safety measures. If this condition is allowed to persist and is treated with relative indifference we must expect to pay an increasing insurance tax as the years go by.

Need Co-operation

But, we believe that the fire waste and the cost of insurance can be reduced with the interest and co-operation of property owners. The Dominion Fire Prevention Association has shown in the few years of its existence what can be accomplished. The work to be yet more effective must be extended and should have the sympathetic co-operation of the men of influence in every community. Branches of the association should be established in every city, town and village to locate the danger spots and assist the local officials in keeping down the fire loss. Missionary work is needed to accomplish this, but the work is a worthy one and the need is great.

It may be said that we already have fire officials whose work it is to deal with fire prevention and fire extinction. This is true, but their duties do not give them the opportunity of individual contact such as is necessary to secure effective action. The Dominion Fire Commissioner and Provincial Fire Marshals are kept busy with the investigation and determination of the causes of fires and the numerous other duties related to their respective offices. Our municipal fire departments are doing a most commendable work in extinguishing fires and the situation without their efficient activities would be much worse.

The prime requisite, however, is to prevent fires by removing and safeguarding their causes. This can only be done by individual property owners and it is the work of the Dominion Fire Prevention Association to impress this upon the public mind. The funds at our disposal are so limited that we can only touch the high spots. The work, however, is so worthy that every good citizen should be interested in it and should voluntarily undertake to further in his community the requirements of fire safety which the association consistently advocates as being in the interests of the nation and the individual.

COURT DECISIONS ON INSURANCE LAW OFTEN ILLOGICAL

Hard Cases Should be Handled With Care, Says Expert

Counsel for insurance companies were warned to be particularly careful in fighting cases in the courts in which the plaintiff could be classed as an unfortunate individual, in an address by Byron K. Elliott, manager and general counsel of the American Life Convention at Chicago recently. Mr. Elliott pointed out that in cases such as these, one had to meet the natural sympathy which everyone has for an unfortunate individual and suggested that a complete exposition of the function of insurance and its dependence upon the enforcement of its policies as they are written, was necessary.

Hard cases have made more bad laws in the field of insurance than any other, he said, and yet inexpert tampering with the construction of insurance contracts can do a far wider damage than is apparent. It frequently establishes a precedent which affects, not alone subsequent contracts where it may be guarded against, but the immense volume of life insurance which will run on the existing contracts for many future years, he explained. It takes no imagination to visualize the cumulative effect of a long series of decisions liberalizing and extending the original meaning of policy terms, he aded.

Three Types of Decision

Every year, the decided cases furnish examples of strict technical construction, of reasonable construction giving to the contract the ordinary meaning of its wording and of loose construction amounting to an absolute enlargement of the terms of the contract. To the first group, very few in number, the insurance bar would not lend its endorsement except, as occasionally happens, as the only means to secure results which are entirely equitable. The second group of decisions has the approval of everyone and is apparently on the increase except where barred by earlier precedent. The third group is still found in great volume, although it has in the past year, shown a tendency to decline in numbers, certainly in the number of new jurisdictions deciding questions of an original instance.

In an argument, ad hominem, in an insurance case, the voice of the millions of other policy beneficiaries who depend upon the functioning of the system should not remain unheard while the misfortunes of the individual plaintiff are being displayed in appealing psychological dress, Mr. Elliott said. The law is a pilgrim of pure but human heart whose progress is attended by a clear view of the individual and a less distinct image of organized society, he stated in conclusion.

Sun of Canada Makes Contact In Washington

Efforts extending over the past two years were brought to fruition recently when Sun Life of Canada completed an agreement with the United States Treasury Department Beneficial Association for the sale of annuities to members of the organization. The business will be written individually among the members of the association which are located throughout the United States. Over a period of years this is expected to be one of the most important contacts made by the Sun Life in the United States.

The Beneficial Association with which the contract was made is a non-governmental organization of employees and embraces something like 65,000 persons. It was organized in 1892 for federal treasury employees and includes all employees of the Treasury, the general accounting office, the Reconstruction Corporation, and the Home Loan Bank Board, and so forth.

Announcement that the agreement had been completed caused something of a stir in official circles in Washington, coming as it did at the height of the "Buy America" movement.
movement. Officials of the company point out however that such a policy is no more conflicting than is the sale of insurance by United States companies in Canada, which assumes very large proportions from year to year.

Ontario Equitable Business Increases, Securities Higher

Business of the Ontario Equitable Life and Accident Insurance Co. has shown a marked increase for the period ended September 30, Hon. C. A. Dunning, president, stated at a recent agency meeting in Waterloo.

New writings have shown an increase in all but two months of the year, it was stated. Policy loans have declined considerably and terminations have fallen off for every month in company with 1932. Although new business is increasing, a further drop in expenses has been attained and this has resulted in a substantial excess of income over disbursements. It is expected that by the end of the year, the company bond holdings will be increased by 20 per cent.

Great-West Life Reports Improved September Sales

Great-West Life reports an increase in both the number and amount of applications received during the month of September, 1933, as compared with the same month last year.

The increase is fairly general over the territory, nearly all branches participating.

Insurance Inklings

F. B. MURRAY was elected president of the Life Underwriters' Association of Calgary at the annual meeting held recently. J. A. MacLeod was elected vice-president, while A. E. Harris was re-elected secretary-treasurer.

Great-West Life Assurance Co. death claims for the eight months ending August 31, 1933, show a decrease of nine per cent compared with the same period last year according to announcement made by James Forbes, A.A.S., claims superintendent.

SUICIDE SURVEY DISCUSSES GROWTH IN LARGE CLAIMS

Problem Appears to Have No Immediate Solution

An additional treatise was recently added to the voluminous literature on suicides by the publication of a book written by Dr. Louis I. Dublin, third vice-president and statistician of the Metropolitan Life in collaboration with Bessie Bunzel, research assistant of the Statistical Bureau of the Metropolitan Life. The name of the book is "To Be or Not To Be—A Study of Suicides."

The work discusses the legal phase of suicide, the psychology, the motive, the types of persons who destroy themselves, the influences of environment, historical background, including suicides in ancient Greece and Rome as well as among primitive peoples, and finally its prevention.

Claims Increase

Dr. Dublin estimates that American life companies paid more than $75,000,000 in suicide claims last year and that 1933 claims will amount to still more. Discussing the increase in the suicide rate among the ordinary policyholders in the last few years, he states that in all ages suicide accounted for more than 4½ per cent of total deaths in 1930. Between the ages of 30 and 39 years, well over 6 per cent of all deaths were suicides. Not only does the rate increase with age but it rises rapidly with the amount of the policy as a study of reinsurance figures and of other large policies clearly shows.

Average ordinary suicide claims in one large company in 1925 were $2,283, as compared with an average death claim of $1,867 for all causes of death. In 1931, the two figures were respectively $3,580 and $2,216. This is the most striking feature of the situation in this particular company—the great increase in the average size of the suicide claim which was much more significant than the increase in the number of policies.

Solution Difficult

In other companies, the situation is also growing steadily more serious. The amount paid out in suicide claims, in one company, rose from $390,000 in 1929 to $740,000 in 1931. One company paid almost $7,500,000 on account of suicide in 1932.

As to prevention, Dr. Dublin finds no immediate solution. He does note a growing recognition in many quarters that the trouble from which the people are suffering can be mitigated. Concentrated efforts are being made to straighten out maljudgments and rectify injustices. Individuals and organizations are working to secure better housing of our wage earners, to cope with the problems of juvenile delinquencies, to prevent the exploitation of women and child labor, to provide compensation for workers incapacitated by industrial accidents and diseases, to stabilize employment as far as possible and to furnish security for every individual against the hazards of unemployment, sickness and old age.

Promote Better Conditions

"May we not hope," asks Dr. Dublin, "that soon we shall be able to place at the disposal of all the benefits which invention, discovery and research have provided? Even under present day conditions, however, just as surely as there are many causes leading to the entanglement which may suggest suicide just so surely are there other solutions."

FIRE PREVENTION MUST BE STRESSED THROUGHOUT YEAR

Concentration on One Week Insufficient, Thinks Engineer

By F. X. AHERN
Quebec Fire Prevention Engineer

Approach of Fire Prevention Week again brings us face to face with the bare facts regarding our national fire loss.

Although the statistics do not show, superficially, any increase in the amount of the loss sustained by fire, we must recognize that this condition exists when we consider the lower valuation placed upon property concerned, as compared with recent years.

In spite of the annual Fire Prevention Week during which the newspapers are crowded with literature regarding fire prevention, the public seems to remain apathetic and negligence, the chief factor in most fires, is on the increase.

One Week Insufficient

Here, perhaps, is the place to note that the effort of one week per year in the cause of fire prevention on the part of the public is not sufficient; the press would no doubt be better advised in stretching out the material at their disposal over several weeks of the year, at regular intervals, rather than in trying to cram a lot of literature into one issue, most of which, because of its profusion, is not read or, if read, not assimilated.

During the past year, in the Province of Quebec, the activities of the office of the fire commissioner have been continued as formerly. The usual grant of $200,000 was placed at the disposal of the Honorable, the Minister of Public Works and was used to assist municipalities desirous of improving their fire protection system.

Standardize Threads

A further step was made in the standardization of hose coupling threads and, in this connection, the Association of Canadian Fire Marshals, in annual conference assembled in Quebec, was pleased to pass a resolution approving and commanding the work done so far by the Commissioner in this matter.

In each municipality where a subsidy has been granted in virtue of the Fire Prevention Act, the commissioner imposes the adoption of his standard for hose couplings and hydrant outlets. This standard includes a maximum outside diameter of 3 3/64 in. for the nipple with seven threads to the inch of the sharp V shape with sides at 60 deg. Work has already been started in several municipalities to change over entirely from the existing thread to the new one.

During the first part of this year, statistics for 1932 were completed and copies of same were distributed to insurance companies as well as to all other interested parties.

Press Support Helpful

The requests for enquiries into fires of suspicious origin increased to such an extent that it became necessary for us to add to our staff of investigators. This work of investigation is actively proceeded with and the results obtained, so far, are very satisfactory.

The annual inspection regarding the efficient maintenance of fire fighting appliances and the proper drilling of volunteers was carried out, as usual, in about 200 municipalities by the department's inspector.

The co-operation of the press in this work of fire prevention and of fire protection has been invaluable to all those interested in the work and we look forward to their continued efforts in this fight which is for the preservation of life and property.

B. C. COMMISSION HEARS COMPLAINTS OF MUNICIPALITIES

Towns, Cities Ask for Larger Share of Provincial Revenues

From Our Own Correspondent

VANCOUVER.—The financial relationship between municipalities of British Columbia and the provincial government is being aired before a commission headed by Judge A. M. Harper, which has held sessions in several of the larger centres. So far the main plea of the municipalities has been for an increased share of provincial revenues.

Last year the British Columbia Government felt obliged to reduce the financial assistance given customarily to the municipalities, despite a loud protest from representatives of the cities.

Vancouver's Requests

A comprehensive petition was put before the commission by Vancouver, which, besides requesting a portion of the income tax revenue, asked restoration of liquor grants, restoration of grant from pari-mutuel revenues, grant of a substantial portion of provincial amusement and gasoline taxes, removal of the limitation of $100 on the city's right to collect licenses from certain businesses, restoration of former city rights for licensing beer parlors, insurance and trust companies, beverage dispensers, etc., resumption by the province of the whole cost of social services, restoration of financial assistance to hospitals on an adequate basis and that the city be given the right to tax certain crown lands.

City's Position

Since 1929, the first year of amalgamation of Vancouver with Point Grey and South Vancouver, provincial grants to Vancouver have been so reduced that civic authorities estimate their net revenues from the government next year will be only $270,000 as against $1,414,785 in 1929. The latter figure represents the amount received by the city when allowances have been made for social service costs. In other words, in 1929 provincial grants represented 10.16 per cent of the entire civic revenue. In 1934, the net grants will represent only 1.74 per cent.

TELLS WHY DENMARK DOMINATES U. K. BACON MARKET

(Continued from page 9)

Bacon for export is subject to inspection, during transport and in the warehouses in England. Special committees inspect shipments at the principal British ports, as well as in the warehouses in London. Leading British bacon merchants are invited to participate and every opportunity is taken to demonstrate the superiority of the Danish product, as well as to discuss ways and means of improving the commercial quality of the bacon and such matters as color, cut, methods of cure and uniformity of quality.

What Canada Can Learn

Many lessons may be learned from this wonderful example of scientifically organized production and expert marketing.

The first essential is organization, namely, the linking up of farmers into associations and friendly co-operation between curers and farmers. Every effort should be made to assist farmers in breeding the lean type of pig true to type and the right weight.

The British are now accustomed to the highest standards of quality and uniformity as applying to all their food products. The Englishman is a gourmet at his table and only the best will satisfy him. Consequently, our production must be based on the requirements of the British market, and not on what we think the Englishman ought to eat.

Envisaging a development of the Empire bacon trade, some thought has been given to the development of Empire standards, and the adoption of the name "Empire Bacon." Failing this, every effort should be made to set a standard and advertise our products as "Canadian bacon." In this connection, attention should be given to the standard adopted for the "National Mark" grade in the United Kingdom.

Commercial and Show Merit

Emphasis should be laid upon the commercial merits of stock submitted at agricultural shows. The Hon. Robt. Weir made a point in this connection when he criticized the manicuring and massage methods used to prepare pigs for prize shows, where the standards of judgment were not entirely commercial ones. In other words, a breeding policy must be based on a record of performance and not merely on show points. The commercial objective must never be forgotten.

In the field of research, the Empire Marketing Board has made considerable headway with regard to nutritional experiments, the results of which are available to all the Dominions. Considerable progress has been made with regard to the successful transportation of unsmoked mild cured bacon from New Zealand or Australia by ordinary commercial methods, and the problem of prolonged storage has been solved by the use of atmospheres of carbon dioxide. The Institute of Helminthology at Macdonald College, McGill University, Montreal—the cost of maintenance of which has been borne on a fifty-fifty basis by the National Research Council of Canada and the Empire Marketing Board should have its effect in supplying information in connection with the parasitic diseases of pigs.

Organization Does It

Organization for greater production, higher efficiency in breeding and feeding, regularity of grading and supply, export marketing and effective advertising are the necessary conditions for success in competition with the established foreign bacon trade in the United Kingdom.

Mr. Ross-Duggan recently returned to Canada from his seventh visit to the United Kingdom and Western Europe. He made a two months survey of these territories for Canadian exports. He will write several articles on export trade possibilities for Canada.

Alternating in the series, will be topical articles on conditions in different countries visited, and articles on the marketing methods of New Zealand, Australia, South Africa, etc.

This is the fifth article in the series.

Other People's Views

A Boost For Canadian Flour

Milling (London, Eng.)—A well-known baker recently said he had a sample of No. 1 Manitoba wheat, sent from a Canadian mill to this country. On this being submitted to various wheat merchants, all said they had never seen a better sample, but such wheat never came here. In this connection, the word of Scottish millers, who are greatly affected by imported flour, is of interest. No matter what they do, they can never, according to the bakers, quite reach the standard of some well-known imported flours, which the bakers will always buy at a higher figure.

Almost Unanimous

N. Y. Herald-Tribune.—One by one the internationalists return chastened and subdued. Mr. Edward A. Filene arrives from Europe talking like any president of the Home Market Club. "I believe in intelligent selfishness," he exclaims, in defense of his new advocacy of higher tariffs. "This is no time to hope for internationalism in trade," he adds.

The vote has now become almost unanimous. Dear old Mr. Hull is still drawing down his salary as Secretary of State and repeating the tariff speeches of Grover Cleveland. He is painfully conspicuous in his lonely estate. The real leaders of the free-trade cause, from Maynard Keynes up and down, have made a meal off their lifelong convictions and are out pleading for higher tariffs and more nationalism.

Perhaps the toughest bullet for these idealistic internationalists to chew is the Keynes pronouncement that the peace of the world can really best be promoted through nationalism. Said he: "It does not now seem obvious that a great concentration of national effort on the capture of foreign trade, that the penetration of a country's economic structure by the resources and the influence of foreign capitalists, and that a close dependence of our own economic life on the fluctuating economic policies of foreign countries are safeguards and assurances of international peace." But how obvious it all seemed to the dove fanciers of the post-war period! How ill-natured and short-sighted seemed those conservative souls who preferred to make haste more slowly, keeping intact all the organization of a sturdy nationalism through which to work for peace!

The change is a hopeful one. For it involves a complete abandonment of the utopian hope of a world peace swiftly compelled by force. It leaves the way open for a gradual strengthening of the forces making against war, wherever they may be found. As for tariff walls, their rising standards leave the poor, abused Hawley-Smoot schedules an idealistic goal of moderation to be recommended to the world at large for emulation.

THE DOMINION LIFE
ASSURANCE COMPANY
HEAD OFFICE WATERLOO, ONTARIO

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Vancouver
Victoria
Edmonton
Calgary
Saskatoon
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Montreal
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ALL POLICIES NON-ASSESSABLE, PAYING
DIVIDENDS RANGING FROM 20% TO 30%

THE
MONARCH LIFE
ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY
Special Reserves and Surplus
OVER ONE MILLION DOLLARS
Offices in Principal Canadian Cities

Sound Management
For Sound Insurance

For 49 years, through major disasters and economic upheavals, this Company has adhered to its original sane, conservative business policies... providing unfailing security for policyholders and prompt settlement of claims.

Reinsurance through Lloyds of London, England, and a deposit with the Federal Government are still further security.

The
PORTAGE LA PRAIRIE
Mutual Insurance Company
Portage la Prairie, Man.
Est. 1884
Fire - Automobile - Burglary - Windstorm - Plate Glass - Sprinkler Leakage
TORONTO VANCOUVER EDMONTON MONTREAL

$50 A WEEK FOR LIFE, AFTER AGE 55, 60 OR 65

The
THINKING
BUSINESS MAN
... will think twice about this

EVERY WELL MANAGED business organization sets aside a certain portion of earnings each year as a reserve for depreciation. Plant and equipment wear out, become less efficient, less valuable. Their earning power decreases. Eventually they are replaced.

What about the personal organization of "YOU"? Are you setting aside a reserve each year to provide yourself an income when your own earning capacity will have depreciated? Would you like to be guaranteed a salary of $50 a week as long as you live after you reach 55, 60 or 65?

Your wisest course is to take out a GREAT-WEST LIFE Retirement Annuity *now*. It guarantees more income for less money than any other plan of saving. It eliminates all investment and re-investment worries.

It will pay you to start at once. The annual outlay for you is lower at your present age than it will ever be again. Mail the coupon today for full particulars.

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I am interested in your Retirement Annuity. Without obligation send particulars. Dept. 67-M.
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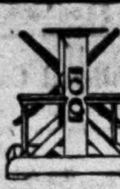

AN ALL-CANADIAN INSTITUTION

1866 1933

In its early days, this Company's steady production record, using equipment like the above, was considered unusually good.

ENORMOUS INCREASE IN PRODUCTION CAPACITY!

Modern equipment and frequent plant expansion have brought present production capacity to a point where work which formerly took two or three weeks to accomplish can now be turned out in a single day. This is a really imposing record in the face of the constant vigilance which must be exercised to ensure faultless quality in the engraving of Bonds, Stock Certificates, Bank Notes and other valuable paper.

British American Bank Note
Company Limited

1112 Bank of Hamilton Bldg. TORONTO
HEAD OFFICE OTTAWA
811 Place d'Armes MONTREAL

Buckerfield's Cuts Expenses; Profit Up

Buckerfield's Ltd., grain, feed and flour dealers, of Vancouver, improved its financial position in the year ended June 30, 1933, according to a statement to shareholders by E. E. Buckerfield, president. Bank loans had been substantially reduced and working capital increased. Chief market of the company for grain and feed is among poultry ranchers and dairy farmers of the Fraser Valley and while purchasing power of these customers was limited the company showed natural cash profits greater than in the preceding year. This was due to reduction of expenses which more than offset a drop in gross revenue.

Bond interest was fully covered but no action was taken on the preferred dividends which have been in arrears since the latter part of 1931. Full sinking fund provision was made and as June 30, 1933, the fund showed a surplus of $2,345. The company made full provision for depreciation on buildings and plants besides providing for additions to plant amounting to $3,904. During the year, cereal manufacturing was introduced as a branch of the business and has shown an initial success.

DOMINION OF CANADA
1933
REFUNDING LOAN

Application forms and information
gladly provided and subscriptions accepted,
at any Branch of this Bank.

The BANK of
NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

READY MONEY WHEREVER YOU GO

You may tour the wide world over with the comforting certainty that ready money will always be to hand when you carry an Imperial Bank of Canada Letter of Credit with you. A letter of credit from this Bank does two useful services. It will be honoured by our Banking Correspondents in every country—and it will secure for you helpful, friendly service wherever you may be.

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Capital and Reserve $15,000,000
FRANK A. ROLPH, President
Col. J. F. Michie, Vice-President R. S. Waldie, Vice-President
A. E. Phipps, General Manager
230 BRANCHES THROUGHOUT CANADA

Bank Chat on Current Topics

Supporting the New Loan

AGAIN the Canadian banks have thrown their resources behind a Dominion of Canada bond issue and activity of some 3,687 branches throughout Canada gives proof that the slogan "Secured by the Strength of the Nation" is well chosen. Many small investors have placed their first or succeeding orders for Dominion bonds with their bank and during the past decade there has come to be a growing number of people who confine their investments to new issues of Dominion bonds. There is some evidence that the 1933 Refunding Loan has brought a number of these buyers into the market. There is also reason to believe the banks have played an important part in educating these investors.

The importance of the banks in any campaign for new Federal Government funds is indicated in figures submitted by S. H. Logan, general manager of the Canadian Bank of Commerce, before the Royal Commission on Banking and Currency. Of the National Service Loan of 1931, 50 per cent of the total of $221,130,300, was subscribed through the banks, while of the subscriptions entered for this loan the banks secured 68 per cent, or more than 74,000. In the case of the $56,000,000 4 per cent loan of 1932, subscriptions taken by the banks accounted for 61 per cent of total subscriptions and 28 per cent of the loan. It is evident that the banks reach the small investor, particularly the investor who buys bonds of $100 or $500 denominations.

The banks are more than ever a factor in the 1933 Refunding Loan for they are reputed to hold some 70 per cent of the maturing 5½ per cent bonds, of which there are $169,971,850 outstanding. They also hold $40,000,000 of short term treasury bills, which the Government is refunding. Willingness of the banks to convert their holdings practically assures the success of the loan.

* * *

Two Per Cent Rate on Deposits Coming?

BEFORE the next Federal loan it seems probable that the interest rate on savings deposits will again be reduced, this time to 2 per cent. Head offices of the banks are noncommittal but high officials in Ottawa regard such a reduction as inevitable and financial men persistently believe that the 2 per cent rate will be effected in the not too distant future, possibly in the early part of 1934. Full effect of the reduced rate which went into force on May 1 last may not be felt until depositors are credited with interest, may not have been felt to date and whether another reduction to 2 per cent would cause an exodus of savings away from the banks into other investment media is a point that is highly debatable. There is no question, however, that with interest of only 2 per cent being paid on bank deposits the Dominion Government should be able to raise new money or convert maturing bonds at a more favorable rate than it could do otherwise. If savings showed no severe decline as a result of the reduction in rate of interest paid it might also be possible to reduce rates charged on agricultural loans.

"It is impossible to increase employment without first increasing demand."
—*John Maynard Keynes.*

"An individual who abstains can enrich himself. But no negative behavior can conceivably enrich the nation."—
John Maynard Keynes.

Weekly Bank Clearings

	Oct. 5 1933 $	Change year ago %	Sept. 28 1933 $
Halifax	2,531,214	—14.3	1,824,741
Saint John	1,615,527	—6.2	1,407,634
Moncton	653,204	—6.3	678,731
Sherbrooke	635,514	—2.6	530,737
Quebec	4,528,365	—14.5	3,302,275
Montreal	103,619,036	—4.3	79,748,966
Ottawa	4,618,193	—4.3	3,284,812
Peterborough	1,045,317	+41.0	503,656
Toronto	117,973,518	+23.0	96,897,143
Hamilton	4,480,413	—8.9	3,283,307
Kitchener	1,038,753	+1.0	830,814
Brantford	910,476	—1.3	638,515
London	2,953,686	—2.1	1,808,580
Chatham	443,592	+5.3	400,353
Windsor	2,182,239	+2.3	1,812,391
Sarnia	447,722	+9.7	362,852
Sudbury	561,890	+6.7	584,124
Ft. William	608,482	—14.6	463,048
Winnipeg	53,601,715	—13.2	72,693,496
Brandon	395,210	—19.1	312,238
Regina	4,813,761	—20.8	3,908,842
Moose Jaw	671,600	—12.0	520,086
Saskatoon	1,567,700	—21.1	1,123,837
Pr. Albert	321,488	—4.6	319,444
Edmonton	3,907,866	—34.7	2,860,799
Calgary	6,142,764	+6.9	6,583,536
Medicine Hat	325,209	+10.4	199,426
Lethbridge	450,103	+2.2	355,616
N. W'minster	612,230	+19.1	593,055
Vancouver	16,115,823	+9.4	13,620,744
Victoria	1,788,706	+0.3	1,212,580

Current Events in Banking World

LORD MACMILLAN REPORT NOT DUE UNTIL NOVEMBER

Publication is Postponed Until Premier Returns

While the report of the Royal Commission on Banking and Currency is completed and in the hands of the Government, publication is not expected before November. Details of the findings of the commissioners who were headed by Lord Macmillan will hardly be issued until the Prime Minister has had an opportunity to discuss them fully with his cabinet and this must be postponed until Mr. Bennett returns from Western Canada. There is no indication as to whether a summary of the report will be available before the document is printed in full.

Evidence submitted to the Royal Commission on Banking and Currency in public hearings exceeded 1,000,000 words and a great volume of data was submitted to the commission that was not included in the official stenographic report. The summary of all evidence presented to the commission at public hearings as presented in The Financial Post has totalled some 45,000 words. Of all the evidence submitted one of the most interesting briefs was that presented for J. A. McLeod, president of the Canadian Bankers' Association, by H. J. Coon. Not only does this brief give the considered opinion of the banks as to the desirability or necessity of a central bank for Canada but it sums up the objections to a central bank.

Favor Administrative Board

The banks do not see the necessity for a central bank in Canada at the present time; feel that present methods of currency control might be improved to some extent but that no drastic change should be effected. They suggest an administrative board composed of experts in finance and currency problems who would be broadly representative of the entire country and who would succeed the present treasury board in administering the Finance Act.

The summary of evidence before the Royal Commission is concluded in this issue with the brief of Mr. McLeod dealing with the extent to which a central bank would be valuable to Canada in dealing with the various points that were presented to the commission for consideration.

Deals With Service Charges

Continuing the evidence given at the concluding Ottawa sessions H. B. Henwood stated that, as far as possible, each service supplied by a bank should pay its way, but that a large percentage of people think that they have the right to operate a bank account at a loss to the bank. A fairly active account is frequently operated with a balance so small that it contributes nothing to the expense of carrying it and this makes necessary the banks making a small charge for carrying the account. The banks supply a service in collecting cheques and it was stated that the banks should make such charges as will compensate for direct expenses and provide some small margin of profit. If a charge is not made it is unfair, not only to the banks but to the many users of bank facilities who do not require to negotiate cheques on outside points to any extent.

Extension to farmers of the privilege of borrowing against silver fox pelts and for fertilizer is not favored by the banks. Application of section 88 to farmers is unsatisfactory. Generally speaking the farmer who is not a good risk without security under section 88 is not a good risk with it. He usually objects to the various forms considered necessary in making loans of this kind and pays little attention to security even when he gives it.

Loans Are Small

Primarily the banks do not desire to see further encroachments upon the principle that section 88 was originally designed for wholesale dealers, manufacturers and the like and was not intended to be used by the individual producers. At the revision of 1913, amendments were made permitting the banks to lend to farmers on the security of threshed grain and in 1915 special provision was made to allow banks to lend for the purchase of seed grain. The crops grown therefrom to be the security. Neither of these sections has been invoked by the farmer to any great extent and total advances in Canada in 1932 for these purposes were $146,846 advanced upon security of threshed grain during 1932 and $51,221 was advanced to farmers for purchase of seed grain during 1932. Of the total advanced to farmers upon security of threshed grain, advances by provinces were Alberta $74,770, Manitoba $28,871, Saskatchewan $28,871, British Columbia $13,609 and Ontario $725. The amount advanced for seed grain by provinces was Manitoba $24,609, Alberta $16,556, Saskatchewan $9,782 and Ontario $274. The banks believe fertilizer would hardly come within the category of items under which advances should be made under section 88 while wholesale dealers can at present borrow against the security of fox pelts under the act. As far as the banks are aware, there is no non-observance of the principle that no agent or manager shall act as agent for insurance companies.

Bankruptcy Act Involved

The suggestion made by the Halifax Board of Trade that assignments of particular debts due at the date of assignment, or debts growing due under specified contracts should be registered in a public office would not apply to bankers only and is not a matter therefore to be dealt with by an amendment to the Bank Act. A change in the principles of bankruptcy legislation could only be affected by an amendment of the bankruptcy act. This suggestion came from only one source and there does not seem to be any reason why the principles of English bankruptcy legislation should be departed from in this particular.

Lord Macmillan referred to evidence presented by one witness who produced correspondence that he had with a bank in which the bank intimated that it proposed to make a charge for carrying the account. M. W. Wilson stated that the manager had not interpreted his instructions intelligently and Jackson Dodds stated that it was a very stupid letter of the manager's but with hundreds of managers the banks are bound to get a certain number who will not interpret their instructions correctly.

Reviews Case for Central Bank

The attitude of the banks on the extent to which the central bank would be of value in dealing with questions brought up before the Royal Commission was covered by a brief prepared by J. A. McLeod and read by H. J. Coon, of the Bank of Nova Scotia. Mr. Coon stated that the banks in studying the considerations in favor of and against the creation of a central institution have had to keep in view on the one hand the representations made by the commission in favor of this step and on the other hand the comparative necessity of avoiding any action which might adversely affect the financial structure of the country. The banks are primarily interested in the effect of such an institution upon the interests of their depositors. Strength of the present banking system is that it has grown with the country and has not been the subject of experimentation. While the process of evolution is not at an end, innovations which are imitative other than essential should be avoided.

With a small number of strong banks operating branch offices throughout the country Canada possesses the treble advantage of rate stability of loanable funds, a highly developed experience in the use of those funds for the purpose of commercial banking and a bank note currency automatically responsive to the country's requirements. On the other hand, there are certain anomalies apparent in the legislation affecting the issue of currency in which connection the Finance Act calls for the most careful consideration. Devised in 1924, the Finance Act fulfilled its emergency functions admirably during the war years and in the past ten years has served a useful purpose both from the banking and public standpoint. Without its provisions, or some suitable alternative, there would have been serious dislocation of both public and banking business.

Would Develop Present System

If there is to be no reversion to conditions existing before 1917 or a central bank is not formed the third alternative is to develop the present system of which the Finance Act is an expression. This involves (1) defining of the responsibility for the control of the reservoir of credit, (2) dissolving the anomalies arising out of the different principles embodied in the Finance Act and the Dominion Notes Act and the allied acts, respectively, and putting the Dominion Notes Issue on a clear and definite basis; (3) vesting in the authorities who are to become responsible, both for the note issue and for control of the reservoir of credit, the duty of maintaining such a degree of stability in the purchasing power of the Canadian dollar—either internally or externally, whichever may presently be the choice—as circumstances appear to make possible.

The only practical measure of control of the reservoir of credit that could be applied in Canada is through the regulation of advances to the chartered banks under the Finance Act and the rate of interest charged. The administrative board suggested by the banks would, it is felt, be fully competent to deal with this phase of the problem. To fix a definite basis for the Dominion note issue so as to correct the anomalies in the existing legislation is a matter for legislative enactment and, once the principal of such issue is definitely established by parliament, the Department of Finance is fully competent to operate in accordance therewith. In the opinion of the banks, it is extremely doubtful if the purchasing power of the Canadian dollar could be stabil-

(Continued on page 14)

Banks' Call Loans Abroad Increased During August

Further Decrease in Deposits Results in Corresponding Drop in Liquid Investments; Municipal Loans Reduced By $10,820,000; Liabilities to Government Lower

For the first time in seven months, the monthly return of the chartered banks for August fails to show an increase in immediately available liquid resources which represent the most liquid portion of the banks' assets. There is shown also a substantial increase in loans abroad, amounting to $17,180,000 in call loans and $6,348,000 in other longer term loans, which offset the decrease of $22,995,000 shown as owing by foreign banks. Call loans abroad are regarded as being among the most liquid of the banks' resources.

Deposits again declined but to a lesser extent than in July. Demand deposits were down by $17,429,000 and savings deposits were $7,143,000 lower than in July. Holdings of Government securities, which have increased by $151,305,000 in the past year were slightly lower. Investment in public and railway securities were slightly higher but Canadian call loans were down by $3,658,000, current loans by $4,313,000 and municipal loans by $10,820,000 as loans abroad were increased.

Liabilities on Government Down

Liabilities on account of notes in circulation were slightly lower. Balances owing the Dominion Government were down by $13,307,000 and advances under the Finance Act were down $5,300,000. Liabilities on letters of credit, which chiefly arise from purchases by Canadian companies abroad, were $1,148,698 lower.

The drop in deposits was greater than the drop in credit extended and The Financial Post credit index representing the ratio of current and call loans in Canada to demand and savings deposits in Canada moved slightly higher to 50.3 as compared with 50 in July and 60.7 in August, 1932.

The position of the chartered banks as at August 31, 1933, as compared with their position at July 31, 1933, and at August 31, 1932, is as follows:

ASSETS	August, 1933 $	July, 1933 $	Change $	August, 1932 $	Change $
Immediately Available Liquid Resources					
Specie	49,103,264	49,542,459	— 439,195	55,687,846	— 6,584,582
Dom. notes	132,076,944	137,488,975	— 5,412,031	115,281,072	+ 16,795,872
Gold reserve	20,681,732	20,681,732	....	21,831,732	— 1,150,000
Foreign banks	87,460,178	110,455,998	— 22,995,820	106,951,054	— 19,490,876
Foreign curr.	21,561,507	21,784,889	— 223,382	16,563,665	+ 4,997,842
Govt. secs.	645,879,876	648,457,349	— 2,577,473	494,574,824	+151,305,052
Call loans ab'd.	97,465,670	80,285,417	+ 17,180,253	96,391,629	+ 1,074,041
	1,054,229,171	1,068,696,819	— 14,467,648	907,281,822	+146,947,349
Loans and Securities Other Than Those of Canadian Government					
Public secs.	165,079,205	163,197,520	+ 1,881,685	155,146,926	+ 9,932,279
Railway secs.	55,161,161	54,268,310	+ 892,851	53,392,053	+ 1,769,108
Can. call loans	105,035,628	108,693,858	— 3,658,230	114,072,418	— 9,036,790
Current loans	884,771,869	889,085,311	— 4,313,442	1,004,018,372	—119,246,503
Loans abroad	150,633,828	144,286,182	+ 6,347,646	159,043,645	— 8,409,817
Prov. loans	19,702,127	20,174,003	— 471,876	19,411,498	+ 290,629
Mun. loans	121,517,701	132,337,529	— 10,819,828	123,667,970	— 2,150,269
	1,501,901,519	1,512,042,713	— 10,141,194	1,628,752,882	—126,851,363
Other Assets					
Non-curr. loans	14,440,210	14,394,605	+ 45,605	13,154,927	+ 1,285,283
Real estate	7,964,914	7,889,303	+ 75,611	7,365,977	+ 598,937
Mortgages	6,298,374	6,325,934	— 27,560	6,008,345	+ 290,029
Premises	78,840,319	78,857,957	— 17,638	80,056,763	— 1,216,444
Lets. of credit	46,723,561	47,872,259	— 1,148,698	48,441,700	— 1,718,139
Loans to comp.	13,183,520	13,256,078	— 72,558	12,886,773	+ 296,747
Other assets	1,500,051	1,459,785	+ 40,266	1,404,065	+ 95,986
	168,950,949	170,055,921	— 1,104,972	169,318,550	— 367,601
Total	2,725,081,639	2,750,795,453	— 25,713,814	2,705,353,254	+ 19,728,385
Note cir. dep.	6,487,469	6,738,704	— 251,235	6,586,918	— 99,449
Int. bank bal.	87,802,489	106,122,036	— 18,319,547	89,941,410	— 2,138,921
Gross	2,819,371,597	2,863,656,193	— 44,284,596	2,801,881,582	— 17,490,015
LIABILITIES					
To the Public					
Circulation	129,291,890	132,186,129	— 2,894,239	127,774,826	+ 1,517,064
Dom. Govt.	40,142,812	53,450,535	— 13,307,723	19,040,208	+ 21,102,604
Prov. Govt.	27,407,844	23,624,436	+ 3,783,408	32,308,954	— 4,901,110
Govt. advances	44,344,000	49,644,000	— 5,300,000	29,000,000	+ 15,344,000
Deposits by Public					
Demand dep.	483,842,674	501,272,039	— 17,429,365	475,360,461	+ 8,482,213
Savings dep.	1,372,713,533	1,379,856,960	— 7,143,427	1,366,546,598	+ 6,166,935
Total	1,856,556,207	1,881,128,999	— 24,572,792	1,841,907,059	+ 14,649,148
Foreign dep.	297,709,537	300,596,302	— 2,886,765	306,551,609	— 8,842,072
Due to Banks Abroad, Etc.					
Un. Kingdom	5,487,747	6,168,540	— 680,793	4,495,448	+ 992,299
Foreign	33,358,722	33,648,783	— 290,061	49,596,799	— 16,238,077
Bills payable	1,905,673	1,968,294	— 62,621	1,473,403	+ 432,270
Lets. of credit	46,723,561	47,872,259	— 1,148,698	48,441,700	— 1,718,139
Other liabs.	2,127,686	2,134,791	— 7,105	2,136,422	— 8,736
Total public liab.	2,485,055,679	2,532,423,068	— 47,367,389	2,462,726,428	+ 22,329,251
Due bet. banks	10,348,208	12,375,815	— 2,027,607	10,852,570	— 504,362
Liability to Shareholders					
Dividends	2,466,361	972,341	+ 1,494,020	3,007,943	— 541,582
Reserve	162,000,000	162,000,000	....	162,000,000	....
Capital	144,500,000	144,500,000	....	144,500,000	....
Gross	2,804,370,248	2,852,271,224	— 47,900,976	2,783,086,941	+ 21,283,307
Credit index*	53.3%	53.0%	+ 0.3%	60.7%	— 7.4%

* Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Foreign Exchange

STRENGTH of Canadian and American dollars was an outstanding feature of foreign exchange in the week ended Oct. 9, as viewed from this continent. President Roosevelt's speech at the recent American Legion Convention indicating that he would run the risk of "veteran" disfavor, if necessary to improve the budget, is seen as a source of strength to the American dollar.

Noteworthy is the Royal Bank letter's statement that low quotations for the American dollar are not justified by underlying economic conditions. Similar opinions by other authorities have been mentioned from time to time in this column. Although perhaps economically unjustifiable, weakness of the U. S. dollar has persisted for months. This paradox is explained by the difference between the short and long term tendencies. Selling the dollar short in various forms has depressed it unjustifiably, according to authorities. In the long run, this should add to the inherent strength of the currency, it is believed. Nevertheless, developments could take place in the United States which would justify recent scepticism of the dollar.

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low %	Last Year High (Premium) %	Last Year Low %
Oct. 3	1 13-16	1 11-16	10 1-4	9 15-16
Oct. 4	2	1 7-8	10 1-8	9 7-8
Oct. 5	2 1-4	1 7-8	10	9 7-8
Oct. 6	2 1-16	1 7-8	10 1-8	9 15-16
Oct. 7	2 5-16	2 1-4	10 1-8	10
Oct. 9	......	......	10 1-16	9 7-8

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Oct. 3	4.78 1-2	.0607	.0814
Oct. 4	4.76 1-8	.0603 3-4	.0809 3-4
Oct. 5	4.71 1-4	.0600	.0805
Oct. 6	4.74 1-2	.0603	.0808
Oct. 7	4.69 1-2	.0591	.0792 1-2
Oct. 9	4.69 1-4	.0594	.0796

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Oct. 3	4.87	0.0618	0.0828
Oct. 4	4.85 3-4	0.0618	0.0827
Oct. 5	4.85	0.0618	0.0827
Oct. 6	4.83	0.0612	0.0820
Oct. 7	4.80	0.0605	0.0814
Oct. 9	......	......	......

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Oct. 3	0.3760	0.2208	0.2925
Oct. 4	0.3760	0.2206	0.2916
Oct. 5	0.3764	0.2222	0.2907
Oct. 6	0.3728	0.2178	0.2912
Oct. 7	0.3683	0.2161	0.2927
Oct. 9	......	......	......

"There's Something About It You'll Like"
"No man could want a better pipe companion than Tareyton"
HERBERT TAREYTON
LONDON SMOKING MIXTURE
HT-7

Harrison Hot Springs Has Better Business

Improved business is reported for Harrison Hot Springs Hotel Ltd., during the past season, although substantial reduction in rates had the effect of reducing net operating earnings in comparison to such earnings in pre-depression years. Earnings in the 1933 season, however, were well ahead of those of the preceding year.

The addition built in 1929, just prior to the falling off in patronage, has been fully paid for. It is probable that the company will build up a reserve before resuming payment of preferred dividends which are in arrears since October 1, 1931.

"The pacification of India, the boom in South Africa, the remarkable recovery of Australia, could not have occurred but for our devaluation of gold two years ago."—*John Maynard Keynes.*

SAIL TRAILS
ON SEVEN SEAS
STRANGE PLACES
NEW FACES
FRESH KNOWLEDGE

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WORLD CRUISE

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Position of Chartered Banks of Canada as of August 31, 1933, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	%Last dividend	*Loans to Directors and firms of which they are partners	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	32,905,340	37,313,879	9,000,000	9,630,815	129,068,917	385,997,810	59,839,502	2,580,487	1,339,010	6,749,246	271,778	6,359,512	1,529,329	727,277	38,000,000	36,000,000	757,321,908	50,000,000	36,000,000	8	1,223,884	17,247,941	54,152,058	34,789,115
Nova Scotia	11,132,325	534,032	3,214,000	585,955	32,314,694	132,334,149	34,849,053	1,505,596	164,077	1,792,650	237,438	3,005,816	111,479	8,043	24,000,000	12,000,000	257,789,315	15,000,000	12,000,000	12	2,958,489	8,834,642	8,636,013	11,582,405
Toronto	5,889,694	121,089	1,500,000	947,748	22,745,474	65,230,162	....	686,487	216,568	1,569,127	1,025,550	1,209,335	161,687	152,593	9,000,000	6,000,000	116,455,520	10,000,000	6,000,000	10	987,501	373,700	5,135,700	6,270,374
Provinciale	3,493,780	129,691	600,000	67,605	3,990,222	31,192,054	....	....	....	57,274	....	61,834	422	64,336	1,500,000	4,000,000	45,157,223	5,000,000	4,000,000	6	557,149	220,407	407,257	3,721,690
Commerce	23,542,240	611,188	7,000,000	2,732,735	107,320,213	281,890,601	41,566,040	1,776,153	935,197	7,605,742	55,398	13,190,874	....	611,220	30,000,000	30,000,000	548,837,606	50,000,000	30,000,000	8	4,107,677	11,515,000	22,281,000	24,945,339
Royal	29,807,196	509,298	9,000,000	8,748,670	122,401,810	263,409,396	158,807,157	972,921	436,529	11,870,531	315,509	19,998,502	103,741	714,768	35,000,000	35,000,000	697,096,033	50,000,000	35,000,000	8	2,425,194	8,833,365	22,298,632	31,094,931
Dominion	6,028,778	160,281	4,956,000	518,872	23,268,544	61,581,222	1,561,856	806,763	55,226	746,880	....	1,512,410	220,973	1,964	9,000,000	7,000,000	117,419,776	10,000,000	7,000,000	10	1,004,497	650,000	1,867,000	6,489,075
Nationale	8,370,419	299,386	7,400,000	1,826,794	16,360,080	78,551,643	1,085,929	682,059	37,401	232,990	....	303,827	....	178,322	7,000,000	7,000,000	129,328,854	10,000,000	7,000,000	10	359,079	916,326	1,111,680	8,774,239
Imperial	7,870,678	418,446	1,590,000	2,189,650	25,341,452	70,947,280	....	1,122,078	238,384	1,340,351	....	1,003,505	....	7,838	8,000,000	7,000,000	127,069,667	10,000,000	7,000,000	10	450,194	456,253	5,141,498	8,358,008
Barclays (Canada)	251,440	45,522	84,000	150,000	1,031,268	1,579,216	....	215,664	2,065,355	1,393,931	....	77,946	....	....	500,000	500,000	7,894,346	500,000	500,000	......	....	11,989	67,816	283,330
Total	129,291,890	40,142,812	44,344,000	27,407,844	483,842,674	1,372,713,533	297,709,537	10,348,208	5,487,747	33,358,722	1,905,673	46,723,561	2,127,631	2,466,361	162,000,000	144,500,000	2,804,370,248	210,500,000	144,500,000	......	14,073,664	49,159,523	121,098,654	136,308,496

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves *	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	16,987,884	55,731,499	2,178,816	403,830	21,328,060	....	10,619,854	18,324,936	250,755,711	40,954,000	10,968,909	5,620,757	41,134,536	187,150,224	15,091,224	8,156,214	40,300,870	4,253,180	533,394	1,219,373	14,500,000	6,359,512	1,589,618	7,000,000	135,592	82,422	761,370,680
Nova Scotia	8,840,387	11,457,976	712,509	2,348,048	7,017,431	....	644,434	5,347,579	56,611,215	18,610,128	7,565,518	13,594,295	2,885,176	87,075,748	10,965,535	2,315	8,556,815	960,612	....	101,836	7,807,593	3,005,816	523,144	1,250,000	2,767,031	107,975	258,759,126
Toronto	381,854	5,965,678	396,670	24,165	4,017,831	....	2,376,737	1,736,406	33,375,067	8,208,753	1,172,087	5,533,907	....	42,475,698	....	....	5,177,669	441,840	....	69,916	3,734,843	1,209,335	315,801	630,866	....	....	117,275,231
Provinciale	233,691	429,388	341,749	43,674	1,171,538	1,329,478	348	85,836	9,074,941	4,777,311	3,428,738	4,976,004	....	13,890,042	....	....	1,106,092	166,563	598,614	390,511	2,166,678	61,834	195,400	....	....	180,964	45,539,401
Commerce†	11,548,091	23,224,795	1,470,935	1,265,347	12,987,349	21,277	1,923,146	12,472,061	111,617,161	41,404,633	13,664,040	7,993,880	18,183,767	174,329,209	14,342,160	8,517,241	31,128,115	3,079,075	2,708,042	2,553,355	14,952,543	13,190,874	1,250,000	4,000,000	3,998,598	390,335	553,210,93
Royal‡	9,000,280	15,026,603	1,993,711	17,326,597	15,752,082	1,843	1,489,548	15,424,344	105,003,084	23,616,289	12,130,282	8,552,841	33,764,596	222,271,116	109,542,082	966,306	11,721,755	4,341,276	2,612,136	845,862	17,220,899	19,998,502	1,500,000	3,000,000	6,295,199	398,058	699,801,45
Dominion	657,147	3,415,585	534,630	59,695	4,042,517	....	148,191	1,060,442	26,702,271	5,514,252	2,482,861	7,320,235	1,497,595	53,516,282	650,350	....	1,581,057	391,948	71,287	27,173	5,981,368	1,512,410	300,000	400,000	....	135,348	118,052,55
Nationale§	944,699	1,511,094	599,890	56,490	2,748,063	213,978	75,090	509,474	26,559,742	15,610,329	3,551,953	5,258,354	....	47,666,254	42,477	1,947,505	11,912,135	421,991	1,255,766	672,548	6,003,565	303,827	358,611	2,000,000	....	71,835	130,295,69
Imperial	495,800	5,230,101	571,635	33,012	5,940,236	637,503	1,048,611	1,320,527	24,359,139	6,279,248	165,923	6,058,355	....	54,859,213	....	112,446	10,085,193	359,607	185,625	427,800	6,016,930	1,003,505	440,106	2,400,866	....	138,116	128,104,50.
Barclays (Canada)	13,331	54,225	13,746	649	345,276	1,433,736	2,733,992	118,523	921,545	104,262	30,850	127,000	....	1,438,083	....	....	....	24,118	....	....	450,000	77,946	14,795	....	....	....	7,902,084
Total	49,103,264	132,076,944	8,814,291	21,561,507	78,350,383	3,637,815	21,059,960	66,400,218	645,879,876	165,079,205	55,161,161	105,035,628	97,465,670	884,771,869	150,633,828	19,702,127	121,517,701	14,440,210	7,964,914	6,298,374	78,840,319	46,723,561	6,487,469	20,681,732	13,183,520	1,499,933	2,819,371,597

*Of this deposit $5,181,732 is in gold coin; the balance is in Dominion notes.
*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.
†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.
‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.
§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return.—Footnote to Banque Canadienne Nationale return.

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LORD MACMILLAN REPORT NOT DUE UNTIL NOVEMBER

(Continued from page 13)

ized effectively. As to stabilization of external purchasing power of the Canadian dollar, on the assumption that the Government provides the necessary funds, no insuperable difficulty is anticipated either with existing machinery or under the administrative board proposed.

In conclusion, the banks express the opinion that in the present extremely disturbed state of business, it would be most unwise to experiment with an organization entirely new to this country such as a central bank. On the other hand it is believed that the administrative board proposed would be helpful; that it would be a careful approach to the further development of this country's financial machinery; that it would be inexpensive to operate; that it would not interfere with the ability of chartered banks to serve the public adequately and that in due time, as it demonstrated its competence and efficiency, it might become an institution to which perhaps greater responsibilities might be entrusted.

Charles A. Bowman, editor of the Ottawa Citizen, presented a brief which, however, was not read.

The last day of public hearings in Ottawa on September 15 was largely devoted to questioning by the commissioners of branches on the various points brought up in their brief.

McLeod Is Complimented

Said Sir Charles Addis to Mr. McLeod, "You have been subjected to a searching questionnaire and you have given us a straight reply. You have refuted one by one the many ill-informed and, I may add, in some cases, malicious charges which have been levelled at the banks, and you have done so with a dignity and with a moderation and with a fine sincerity which compels conviction. I believe that your document will stand historically as a defense of the Canadian banking system and if this Commission, in my judgment, has done nothing more than elicit this response it would not altogether have failed in the task allotted to it."

Questioned as to his statement that amounts borrowed under the Finance Act had not been relatively large, Mr. McLeod stated that he had meant the relation of such borrowing to the total loans of the bank and also to the cash reserves. Sir Charles Addis suggested that more importance is to be attached to the percentage in regard to the cash reserves than to the total assets and that there had been a variable proportion amounting to as high as 40 per cent while at the present time borrowings are about 20 per cent. Mr. McLeod stated that this ratio depended upon what was included as liquid assets and stated that as a rule banks endeavor to obtain say 10 per cent cash, 15 per cent invested in call loans or bonds of a very liquid character and then possibly 25 per cent in municipal and Government bonds which are regarded as marketable investments. The point is that a bank very rarely loans more than 50 or 60 per cent of its reserves in commercial loans. Call loans in New York are regarded as being equivalent to cash because this is the mast liquid asset the bank can have in its portfolio and corresponds to bills in the London market.

International Relationships

Sir Charles Addis objected to the statement that if Canadian banking conditions reverted to the 1914 situation, the credit system would have no elasticity whatever.

Mr. McLeod agreed that this was not correct but stated that there would be relatively much greater elasticity under the operation of the Finance Act. Sir Charles Addis felt that the statement that a central bank might play a part but a very minor one in international financial relationships was rather an under statement. Central banks will only deal with central banks and in the same way with international bank settlements Canada can approach them only through a central bank. At present there are not those contacts with foreign authorities in anything like the same degree as Canada would have with a central institution. He did not agree with Mr. McLeod that Canada might state its position through the Bank of England.

No Control of Credit At Present

Certain provisions of the Finance Act are open to criticism since theoretically it permits an indefinite increase in the uncovered Dominion note issue. Avoidance of such development depends either on control exercised by the Treasury Board, a body which is not composed of banking and currency experts, or on the self-restraint exercised by the banks themselves. The latter has proved effective in practice. There is, however, no properly constituted body which can admit responsibility for the general supervision of credit or exchange in Canada. If the remedy should be sought in the creation of a central bank, the main difference involved in relation to existing set-up would not be the provision of a safeguard against the inflationary use of rediscount facilities, since the desire of the banks to limit their Finance Act borrowings to temporary periods has removed the inflationary implications of present legislation. Experience elsewhere leads to the doubt whether a central institution in Canada could possibly have safeguarded the country against the violent deflation that was forced upon it following 1929.

In the opinion of the banks the principal new weapons of a central organization would be the inflationary one of open market operations designed to enlarge the current structure. Such wide powers could only be entrusted to a management and board of the very highest qualifications. There are three possible courses of action to remedy the present situation. The first is to go back to the 1914 situation by repealing the Finance Act. The second, to create a central bank and the third to develop the present system of which the Finance Act is an expression. Under the first alternative the Canadian credit system would have no elasticity whatever and this possibility can therefore be ruled out.

Central Bank Would Have Weaknesses

The second alternative, a central bank has been favored by its exponents because such an institution would enable closer international relations, enable Canada to take a part in the joint enterprise of gold management when the gold standard is restored internationally. The banks believe that such co-operation can be arranged without the creation of a central bank. Examining the weaknesses that a central bank in Canada would inevitably possess, the banks feel that the first source of weakness is likely to result from the undue expectations which are entertained by the public as to the possibilities of a central bank in Canada. The practical effectiveness of central banks is everywhere circumscribed by local conditions and in very few countries do local conditions give the central bank a dominating position. Executives of central banks have uniformly been unwilling to admit that they possess the power to control the level of prices and the direction of credit which the public conceive them to possess. In Great Britain and Sweden during the past two years, however, the central banks seem to have stabilized the level of commodity prices with fair success but in both of these instances there is a local explanation of the success that has been achieved. In Britain the money market structure gives the central bank a close control of fluctuations in credit and this control has been supplemented by the exchange equalization account, a fund of nearly $2,000,000,000 supplied by the British Government. In Sweden the central bank appears to have achieved its object almost wholly by means of operations in the foreign exchange market but these were simplified by the fact that Sweden is neither a debtor or a creditor country. A central bank in Canada would not have at its disposal the money market machinery by which the Bank of England makes its will effective and could not be backed by governmental resources even remotely comparable to the exchange equalization acount while, on the other hand, it could not operate in the foreign exchange market with the freedom of the central bank of Sweden since Canada must furnish an average of between $500,000 and $1,000,000 per day in interest payments abroad.

In its early stages a central bank in Canada would possess resources too small to permit of ambitious attempts to control any situation that might develop while those in charge of a central bank in Canada would possess neither the experience in the technique of central banking nor the prestige with the public which would permit them to use with complete confidence even the limited financial resources which would be available to them in a central bank.

Methods For Credit Control

If a central bank were to be established in Canada, what means would it have at its disposal for controlling fluctuations in Canadian products and how complete a control could it, in fact, exercise? Canada has no money market such as London and New York have, and it would be difficult to create such a market. A Canadian central bank attempting to control domestic fluctuations of credit would be restricted in its choice of methods. Normally four methods could be employed: 1. The exercise in public and private of its small authority. 2. The purchase and sale of bonds in open market in Canada. 3. The purchase and sale of foreign exchange, assuming that a gold standard is restored and exchange operations take place only with other gold standard countries and 4, the raising and lowering of the rates charged on advances to the central bank or the actual rationing of credit to the banks. These procedures would ordinarily be used in combination. The relative merits of the procedure have been outlined in previous evidence.

Policy Depends on Government

Discussion of the methods by which a central bank can influence foreign exchanges and the balance of a country's debits and credits on international account depends upon the relationship, if any, which it is desired to maintain between the currency of the country concerned and gold, or between it and other currencies as the case may be. Whether the Canadian currency be linked with sterling or the U. S. dollar, or perhaps with gold if both these countries return to a gold basis, any policy which might be adopted rests with the Government and not with a central bank. It is held that a central bank is not essential in order to ensure the success of a given policy.

Exchange Problem Difficult

If Canada returned to the gold standard, on a basis which provided equilibrium between the internal and external purchasing power of the dollar, the chief influences which might affect the exchange situation and imperil the maintenance of the gold standard would fall in four classes. Variations might occur due for example to a sudden collapse of wheat prices on the international market which would drastically reduce Canadian credit on international account by a large amount and which would create an exchange problem on a large scale extending over a whole season or even over several seasons together. Such a development would at once make necessary an adjustment of the current external debits of Canada. It cannot be taken for granted that expansion of other Canadian merchan-

(Continued on page 15)

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING OCTOBER 9

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % Oct. 7		Sales	Close Oct. 2 (or last)	Week Ending Oct. 9 High	Low	Close
				A					
4.00	.25	.	...	Abitibi	2310	1.50	1.50	1.20	1.20
10	1	.	...	Do. pref. 6%	10	6½	6	6	6
x80	80	.	...	Acme F. D'y p	....	..	..	..	..
8	4	.	...	Agnew Surp.	....	7	..	..	..
67	57½	7	11.3	Do. pref.	25	67	62	62	62
10	3½	.	...	Alta. Pac. Gr.	....	5½	..	..	..
40	19½	.	...	Do. pref.	....	20	..	..	..
x3½	1½	.	...	Amal. Electric	....	..	..	..	..
10	3	.	...	Do. pref.	....	..	..	..	..
x3½	3½	.	...	Anglo. N. Hold.	....	10	..	..	..
1.00	.15	.	...	Asbestos	....	1.00	..	..	..
1.50	.50	.	...	Do. pref.	25	1.00	1.50	1.50	1.50
:5	3½	.	...	Assoc. Brew.	165	12	12	12	12
85	65	7	8.6	Do. pref.	10	85	81	81	81
x8	3	.	...	Assoc. Can.	....	..	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..
				B					
155	127	10	6.9	Bk. Can. Nat.	18	145	145½	145	145½
221	150	8	4.2	Bk. Montreal	232	194	192	190	190
285	228	12	4.3	Bk. N. Scotia	5	281	280	277½	280
215	151	10	5.1	Bk. Toronto	55	197½	195	195	195
17	10	.	...	Barcelona	....	17	..	..	..
8	1	.	...	Bathurst Pr.	5	4½	4½	4½	4½
2	1	.	...	Do. (B)	38	1	1	1	1
†126	26	.	...	Bawlf Grain	....	..	..	..	..
20	6	.	...	Do. pref.	....	9	..	..	..
7	3	.	...	Beath & Sons	....	5½	..	..	..
15	3½	.	...	Beatty Bros. A.	....	9½	..	..	..
72	53	6	8.3	Do. pref.	....	72	..	..	..
8½	4	.	...	Beauharnois	1100	4½	4½	4⅛	4⅜
60	50	4	6.7	Belding Cort.	....	60	..	..	..
89	85½	7	8.2	Do. pref.	....	85½	..	..	..
120½	80	6	5.4	Bell Telephone	451	109½	110	109⅛	110
9	3½	.	...	Biltmore Hats	....	6½	..	..	..
76	62	7	9.2	Do. pref.	....	76	..	..	..
4	2	.	...	Bissell, T. E.	....	2	..	..	..
†97	88	.	...	Do. pref.	....	..	..	..	..
6	1	.	...	Blue Ribbon	....	4½	..	..	..
23	10	2	9.1	Do. pref.	40	22½	23	22	22
22	18½	2	9.5	Brant. Cd. pf.	21	21½	21	21	21
19	7	.	...	Brazilian Tr.	7116	13½	14⅛	13⅛	13⅜
3.85	.55	.	...	Brew. & Distil.	4260	2.40	2.45	2.35	2.40
12	½	.	...	Brewing Corp.	1678	5½	6½	5½	6
19	½	.	...	Do. pref.	892	13½	14	13½	13½
12	10	.	...	Bright, T. G., c	....	11	..	..	..
16	7½	80c	5.7	Brit. Amer. Oil	6195	14⅞	14½	14	14
8	1	.	...	B. C. Packers	790	3	3½	3	3⅛
20	6	.	...	Do. pref.	41	15	15	15	15
28	14	2	7.9	B. C. Power A.	390	25	25½	24½	25
6½	3	.	...	Do. (B)	90	5½	5½	4⅜	5
25	3	.	...	Bruck S. Mills	610	21½	22	21	21½
21	10½	1	6.2	Building Prod.	45	16½	16½	16½	16½
38½	20	2	6.2	Burt, F. N.	150	31½	33½	31½	31½
				C					
x125	120	6	...	Calgary Pr.	....	..	..	..	..
9½	1½	.	...	Canada Bread	555	4	4	3½	3½
75	40	.	...	Do. pref. A	1	60	55	55	55
31	8	.	...	Do. pref. B	....	30	..	..	..
18	5½	60c	4.7	Canada Bud	988	12½	13	12½	12¾
10⅞	2½	.	...	Canada Cement	614	7	7⅛	6½	6¾
45½	12	.	...	Do. pref.	65	31½	31½	30	30
b41½	7½	1	3.1	Canada Dry	27800	29⅝	32½	28⅛	32½
8	2	.	...	Can. Forg. (A)	....	4	..	..	..
x7½	2	.	...	Do. (B)	....	..	..	..	..
x15	15	.	...	Canada Iron	....	..	..	..	..
†80	75	3	...	Do. pref.	....	..	..	..	..
*425	405	20	4.9	Canada Life	....	405	..	..	..
40	13½	1.50	4.7	Can. Malting	1850	31⅛	32½	30½	32
17½	12	80c	5	Can. Nor. Pr.	322	15½	16	15½	16
90	65	7	7.9	Do. pref.	3	88½	88½	88½	88½
.25	.05	.	...	Can. Paving	....	.10	..	..	..
10	4	.	...	Do. pref.	....	5½	..	..	..
165	120	10	6.7	Can. Perman.	32	150	152	150	150
3½	1	.	...	Can. Steamsh's	....	1	..	..	..
9½	2	.	...	Do. pref.	15	3½	4	4	4
26	13½	1.60	7.1	Can. Vinegars	66	22½	22½	22	22½
30	25	.	...	Can. W. Cable	10	28½	25½	25	25
15	7	.	...	Do. (B)	10	12	11	11	11
2½	2	.	...	Can. Bakeries	....	2½	..	..	..
10	5	.	...	Do. pref.	....	10	..	..	..
176	119	8	5.4	Can. Bk. Com.	184	148	150	147	148
25	9	60c	3.1	Can. Bronze	....	19	..	..	..
98	70	7	7.1	Do. pref.	....	98	..	..	..
10¾	2½	.	...	Can. Canners	60	6½	6½	6½	6½
81	48	6	7.5	Do. 1st pfd.	18	81	80	80	80
14	3⅜	20c	2	Do. 2nd pfd.	40	10	10	9¾	9¾
11⅞	3	.	...	Can. Car & F'y	1310	6½	7½	6	7½
19½	9½	1.75	11.5	Do. pref.	691	16	15½	14½	15
28½	6½	.	...	Can. Celanese	335	27½	27½	25⅜	26½
112	70	7	6.6	Do. pref.	15	107	106	106	106
35	8	2	6.7	Can. Convert.	....	30	..	..	..
49	15	.	...	Can. Cottons	20	41	40	39	39
75	45	6	8.9	Do. pref.	20	65½	67	67	67
22½	10	1	...	Can. Dredge	175	18½	19	18½	18½
85½	85	7	8.2	Do. pref.	....	85½	..	..	..
80	79	6	7.5	Can. Fairb. pf.	....	80	..	..	..
9½	2	.	...	Can. For. Inv.	25	6½	6½	6½	6½
80	35	8	10.2	Do. pref.	....	78	..	..	..
140	100	3	2.4	Can. Gen. Elec.	10	140	125	125	125
60	50	3.50	6	Do. pref.	5	58	58½	58½	58½
6½	4	.	...	Can. G. Inv. T.	....	6½	..	..	..
65	34	6	11.3	Can. Hyd. E. p	110	52	54	52	53
40	1½	.	...	Can. Ind. Alc.	11662	17⅞	19½	17½	19
39	.90	.	...	Do. (B)	1340	15¾	16¾	15⅛	14
106	75½	3.50	3.3	Can. Industries	....	106	..	..	..
125	125	7	5.6	Do. pref.	....	125	..	..	..
†5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
†70	64½	.	...	Do. pref.	....	..	..	..	..
21	21	1	4.8	Can. Lt. & Pr.	....	21	..	..	..
b3½	1⅜	.	...	Can. Marconi	3200	3⅛	3⅛	2⅞	2⅞
20	6½	50c	3.6	Canadian Oil	65	14	14	14	14
97	79	8	8.4	Do. pref.	57	93½	95	95	95
21⅞	9	.	...	Can. Pacific	3372	14	14½	13½	14
3	1	.	...	Can. Vickers	....	2	..	..	..
7½	5	.	...	Do. pref.	....	7½	..	..	..
49	46	2	4.1	C. West'ghouse	....	49	..	..	..
9½	1⅛	20c	4	Can. Wineries	230	5	5	4½	5
9½	3	.	...	Can. Wire Box	220	8	8	8	8
10	5½	.	...	Catelli Mac. A.	....	9½	..	..	..
2	1	.	...	Do. (B)	....	1½	..	..	..
245	245	8	3.3	Cent. Can. L'n	....	245	..	..	..
2.35	.50	.	...	Chem. Research	9330	1.95	1.95	1.70	1.75
1.60	.20	.	...	Claude Neon	105	.50	.55	.55	.55
15½	3	.	...	Cockshutt Plow	535	8	9	8	8
9	½	.	...	Comm. Alcohol	....	4½	..	..	..
5	1	.	...	Conduits	....	5	..	..	..
†94	84	.	...	Do. pref.	....	..	..	..	..
16½	2	.	...	Cons. Bakeries	1144	10	10½	9	9½
5	½	.	...	Cons. Indust.	....	1½	..	..	..
6⅞	1½	.	...	Cons. Paper	353	2½	2¾	2½	2⅝
12	3	.	...	Cons. Press	....	9	..	..	..
x35	30	.	...	Cons. Sand. p	....	..	..	..	..
144	54	10%▲	...	Cons. Smelters	1501	134	137	133½	135
190	170	10	5.5	Consumers' Gas	31	180	183	180	182½
†20½	15	.	...	Corpor. Steel	....	..	..	..	..
‡90	90	.	...	Corr. P. Box p.	....	..	..	..	..
8	1½	.	...	Cosgrave Brew.	25	5	4½	4½	4½
10	2	.	...	Cosmos Imp.	5	7	6½	6½	6½
50	39	3.50	7.8	Do. pref.	10	50	45	45	45
6½	1½	.	...	Crown Dom. Oil	25	3½	3⅜	3⅜	3⅜
20	8	2	...	Crow's N. Coal	....	16	..	..	..
				D					
2	1	.	...	David & Fre B	....	1	..	..	..
5	5	.	...	Do. (A)	....	5	..	..	..
†12½	12½	.	...	De Havilland	....	..	..	..	..
19	18	.	...	Do. pref.	....	18	..	..	..
†9	5	.	...	Disher Steel	....	..	..	..	..
17	17	.	...	Do. pref.	....	17	..	..	..
52½	4	.	...	Distill-Seagram	2867	25	28	25	27
7	5	.	...	Dodge (A) pf.	25	7	7	7	7
2	2	.	...	Do. (B)	....	2	..	..	..
175	124	10	6.4	Dom. Bank	....	156	..	..	..
34	13½	2	7.1	Dom. Bridge	1296	27	28	27	27½
10	3½	.	...	Dom. Coal	....	8	..	..	..
26	8	.	...	Dom. Engineer.	20	20	20	20	20
90	35	5	6	Dom. Glass	6	83	83	83	83
115	98	7	6.2	Do. pref.	5	115	113½	113½	113½
5½	1	.	...	Dom. Motors	....	1½	..	..	..
2⅜	½	.	...	Dom. Pr. Stubs	....	½	..	..	..
6	½	.	...	Dom. St. & C B	781	2½	2½	2½	2⅜
27½	12⅝	1.20	5.6	Dom. Stores	1444	19	21½	19½	21
6½	1	.	...	Dom. Tar & Ch.	....	2¾	..	..	..
27	5	.	...	Do. pref.	....	20	..	..	..
69⅞	39	4	6.2	Dom. Textile	10	64½	65	65	65
112½	93½	7	6.2	Do. pref.	159	112	112	112	112
7¾	¾	.	...	Dryden Paper	385	5½	5¾	5	5¾
5	1	.	...	Duff. Paving	....	1½	..	..	..
30	5	.	...	Do. pref.	5	30	30	30	30
				E					
3	3	.	...	East. Koot. Pr.	....	3	..	..	..
†97	94½	.	...	Do. pref.	....	..	..	..	..
7	1½	.	...	East Dairies	....	3	..	..	..
14	4⅛	.	...	East. Steel	....	4½	..	..	..
.76	75	7	9.2	Do. pref.	....	76	..	..	..
‡34	34	2	...	East. Theatres	....	..	..	..	..
70	67	7	...	Do. pref.	....	70	..	..	..
4	1	.	...	Easy Washer	....	70	..	..	..
15½	7	37½c	...	Economic Inv.	450	1½	1½	1½	1½
†15	15	.	...	Edmonton D'y	....	15	..	..	..
†80	78¾	6.50	...	Do. pref.	....	..	..	..	..
3	½	.	...	Enam. & Heat	....	..	..	..	..
19	5	.	...	Eng. Electric	....	2½	..	..	..
10	1½	.	...	Do. (B)	....	12	..	..	..
					....	10	..	..	..
				F					
15	4	.	...	Fam. Players	....	15	..	..	..
10	8	.	...	Do. Vot. Tr.	....	10	..	..	..
15	8½	1	8	Fanny Farmer	20	12	12½	12½	12½
28½	23	2.40	8.8	Do. pref.	....	27½	..	..	..
†83½	75	.	...	Firstbrook Box	....	..	..	..	..
21	6	.	...	Ford Motors A	2057	12	12⅞	11½	11⅞
5	1½	.	...	For. Pr. Secs.	5	3	2½	2½	2½
10	5	.	...	Foundation Co.	428	7	6	5¾	5¾
90	90	.	...	Fr.& For.Inv. p	....	90	..	..	..
†8	5	.	...	Frost Steel	....	..	..	..	..
40	40	.	...	Do. pref.	....	40	..	..	..
				G					
6.50	70	.	...	Gen. St. Wares	540	3.50	3.50	3.00	3.00
18	14	.	...	Do. pref.	....	14	..	..	..
114½	40	2.40	2.4	Goodyear Tire	12	100	98	95	98
108	80	7	6.6	Do. pref.	82	105	106	105½	105½
†93½	93½	.	...	Gould Pumps p.	....	..	..	..	..
3	1½	.	...	Gt. W. Saddlery	....	1½	..	..	..
15	5	.	...	Do. pref.	....	12½	..	..	..
16½	4	.	...	Gurd, Chas.	125	6½	6	6	6
100	100	7	7	Do. pref.	....	100	..	..	..
7½	1½	.	...	Gypsum Lime	135	3¾	3⅜	3½	3½
				H					
12	2½	.	...	Ham. Bridge	293	7⅛	7⅛	7	7⅛
40	34	.	...	Do. pref.	....	34	..	..	..
13½	4	.	...	Ham. Cot. pf.	....	12	..	..	..
5	1½	.	...	Ham. U. Theat.	....	2	..	..	..
60	46	7	...	Do. pref.	....	60	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Hinde & Dauch	....	5¾	..	..	..
†75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	.	...	Do. pref.	....	..	..	..	..
3⅞	½	.	...	Honey Dew	725	1	1	1	1
17	5	.	...	Do. pref.	....	7	..	..	..
9¾	1⅛	.	...	H. Smith Pap.	150	6	6½	6	6½
40½	8	.	...	Do. pref.	....	37	..	..	..
25	14⅞	2	8	Humberstone S	50	25	25	25	25
14	4½	50c	4.5	Hunt (A)	....	11	..	..	..
10	5	50c	5.6	Do. (B)	....	8¾	..	..	..

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % Oct. 7		Sales	Close Oct. 2 (or last)	Week Ending Oct. 9 High	Low	Close
102	77	6	6.9	Huron & E. M.	....	87	..	..	..
18	12½	.	...	Do. 20% pd.	....	15½	..	..	..
10	6	.	...	Hydro-Electric	....	10	..	..	..
				I					
185	123	10	6.3	Imperial Bank	40	160	161	158	159
16	7½	50c	3.5	Imperial Oil	6980	13½	14½	13	13½
11⅞	7	35c°	3.2	Imperial Tob.	1226	11	11⅛	10⅞	11
17	17	.	...	Int. City Bak.	....	17	..	..	..
†80	80	8	...	Inter. Coal. p.	....	..	..	..	..
b13½	2½	.	...	Int. Hyd. E. A.	3400	5½	6⅝	5⅜	5½
105	98	7	7.1	Inter. Mill. pf.	15	99	99	98	99
90	82	6	7.3	Do. Series A.	100	90	82	82	82
23.25	8.00	.	...	Inter. Nickel	43355	20.40	21.00	19.75	20.10
x4	4	.	...	Inter. Paints	....	..	..	..	..
b10	½	.	...	Int. P. & P. A	800	4½	5	4	5
b5½	½	.	...	Do. (B)	800	2½	3	2	2⅝
b4	½	.	...	Do. (C)	1500	1½	2	1½	1¾
b22½	2	.	...	Do. pref.	5500	9⅝	11⅞	9½	10½
20⅜	10⅞	1	5	Inter. Pete.	6784	19½	20	19⅛	20
5	2½	.	...	Inter. Power	15	3	2½	2½	2½
24	8	.	...	Do. pref.	....	18¾	..	..	..
18½	5½	.	...	Int. Util. (A)	....	6	..	..	..
4½	1	.	...	Do. (B)	160	2	1½	1	1
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
90	70	7	7.8	Do. pref.	....	90	..	..	..
				K					
7½	¾	.	...	Kelvinator	40	4	4	4	4
80	55	7	8.7	Do. pref.	....	80	..	..	..
				L					
18½	5	.	...	Lake of Woods	565	13	14	13	13
70	30	.	...	Do. pref.	35	54	65	52	65
85	80	6	7.5	Landed Bank.	....	80	..	..	..
25	25	.	...	Langley's pfd.	....	25	..	..	..
48½	36	3	6.5	Laura Secord	75	48	48	46	46
7	1½	.	...	Lindsay, C. W.	....	7	..	..	..
35	25	.	...	Do. pref.	....	35	..	..	..
21½	10½	80c	5.3	Loblaw (A)	420	14¾	15	14⅞	15
21	10½	80c	5.5	Do. (B)	160	14½	14½	14⅛	14½
				M					
7	2	.	...	MacKin. Steel	100	7	7	7	7
†95	90	.	...	Do. pref.	....	..	..	..	..
3½	2½	.	...	Manitoba Pr.	....	3½	..	..	..
10⅞	3	.	...	Maple Leaf	25	4½	5	5	5
25	5	.	...	Do. pref.	....	16	..	..	..
6	6	.	...	Marcus Loew's	....	6	..	..	..
65	35	.	...	Do. pref.	1	60	60	60	60
12	2¾	.	...	Massey-Harris	1110	5	5	4½	4½
15	7	60c	5	McColl-Fron.	1117	12	12	11¾	11¾
82	54½	6	8	Do. pref.	10	75	74½	74	74
27	9½	.	...	Melchers (A)	695	13	13½	12¾	12¾
14	7½	.	...	Do. (B)	110	9	9	8½	9
†45	35	.	...	Mexican L & P	....	..	..	..	..
‡35	35	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
†40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
17½	2	.	...	Mitchell, Robt.	....	..	..	..	..
†1	1	.	...	Monarch Knit.	130	9	9	8	9
50	20	.	...	Do. pref.	....	..	..	..	..
28	18	.	...	Montreal Cot.	5	49	45	45	45
75	50	7	11.5	Do. pref.	....	28	..	..	..
¼	¼	.	...	Montreal Exhib.	5	60	61	61	61
x11	5	.	...	Mont. Is. Pr.	....	¼	..	..	..
.42½	26½	1.50	4.3	Mont. L. & P.	4938	35	35½	34½	34½
42	39	3+.25	8.1	Montreal Loan	....	40	..	..	..
47	39	3.20	6.8	Montreal Tele.	6	47	47	47	47
106	70	9	8.5	Montreal Tram	32	105	106	103	103
17¾	4	.	...	Moore Corp.	620	12½	13	12½	13
107	65	7	7.1	Do. pref. A.	26	99	99	94	99
125	70	7	6.5	Do. pref. B.	40	104	107	107	107
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
4	½	.	...	Muirheads	....	1	..	..	..
7	5	.	...	Do. pref.	....	6	..	..	..
				N					
29½	14½	1.60	6	Nat. Breweries	1240	26½	26½	25¾	25¾
32	27	1.75	5.7	Do. pref.	377	31½	31½	30¼	30¼
100	85	.	...	N. Groc. 2nd p	10	90	90	90	90
22	14	2.40	14.1	N. Sew. Pipe A	20	15	17	15½	17
18½	5½	.	...	Nat. Steel Car	285	13	13	13	13
212	165	8	4	National Tr.	....	200	..	..	..
x10	10	.	...	Niag. W. Weav	....	..	..	..	..
16½	16	75c§	...	Do. pref.	....	16	..	..	..
5	½	.	...	North Star Oil	....	2½	..	..	..
4½	1½	35c	...	Do. pref.	100	2½	2½	2½	2½
†25	25	.	...	N.S. Steel. pf.	....	..	..	..	..
				O					
211	100	8	4.3	Ogilvie Flour	22	186½	187	187	187
125	108	7	5.6	Do. pref.	....	125	..	..	..
12	4	.	...	Ont. Eq. 10% p	31	10	10	10	10
105	98	6	6	Ontario Loan	....	100	..	..	..
9	4	.	...	Ont. Silknit	10	6	6	6	6
45	28	.	...	Do. pref.	15	30	40	40	40
6⅛	4½	.	...	Ont. Steel	....	6½	..	..	..
†105	105	.	...	Do. pref.	....	..	..	..	..
2⅛	½	.	...	Orange Crush	300	½	½	½	½
14	5	.	...	Do. (A)	60	11	10	9½	10
3½	½	.	...	Do. (B)	....	1½	..	..	..
92	80	6	6.8	Ott. L. H. & P.	....	88	..	..	..
94	84	6.50	6.9	Do. pref.	35	93	94	94	94
8	5	.	...	Ott. Traction	....	5	..	..	..
				P					
70¾	40	3	4.7	Page Hersey	115	63	64	64	64
18	18	.	...	Paton Mfg.	....	18	..	..	..
92½	90	7	7.6	Do. pref.	....	92½	..	..	..
47	20	3	7.1	Penmans	10	44	42	42	42
82½	65	6	7.3	Do. pref.	5	82	82½	82½	82½
16½	8	.	...	Photo Eng.	35	14½	14½	14½	14½
†70	64	7	...	Porto Rico P. p	....	..	..	..	..
b40⅜	4	.	...	Postal Tele. p.	....	..	..	..	..
15⅜	6	.	...	Power Corp.	355	7¾	7⅝	7⅜	7⅜
62	26	6	13	Do. pref.	40	46	46	46	46
8½	¾	.	...	Prairie C. Oil	....	2	..	..	..
26	8	.	...	Pressed Metals	150	18	18¾	17½	18⅝
4.62	.40	.	...	Price Bros.	815	.95	1.00	.40	.50
13	3	.	...	Do. pref.	150	3	4	4	4
				Q					
24	11	1	6.6	Quebec Power	657	15	15⅜	15	15⅛
				R					
.95	85	5	5.9	Real Estate L'n	....	85	..	..	..
5½	½	.	...	Regent Knit.	65	3	3½	2½	2½
6	5	.	...	Reliance Grain	....	5	..	..	..
19	7	1	5.4	River S. Mills	135	19	19	18½	19
14	5	1	10.5	Robinson Cone	10	10	9½	9½	9½
4	½	.	...	Rogers Majest.	90	3	3⅛	3	3⅛
183	123	8	5.2	Royal Bank	63	156	155	152½	153
†84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
20	20	.	...	Russell Motor	....	20	..	..	..
45	28	4	11.4	Do. pref.	....	35	..	..	..
				S					
x4	3	.	...	Sarnia Br. A.	....	..	..	..	..
2	1½	.	...	Do. (B)	....	..	..	..	..
11½	2½	.	...	Serv. Station	....	2	..	..	..
48	16	.	...	Do. pref.	....	8	..	..	..
22½	9½	50c	2.8	Shawinigan	10	35	33	33	33
17½	4	.	...	Sher.-Wms.	2692	17	17¾	16¾	17½
75	39	.	...	Do. pref.	85	10	10	10	10
9	4	.	...	Simon & Son	....	70	..	..	..
61	60	.	...	Do. pref.	....	5½	..	..	..
52	6	.	...	Simpson, Ltd.	....	55	..	..	..
5	5	.	...	Do. (A)	11	32⅝	32⅜	32⅜	32⅝
6½	1	.	...	Do. (B)	....	5	..	..	..
85	46½	6	8	Simpson, R., p.	....	4	..	..	..
19½	12	80c	5.4	So. Can. Pr.	....	75	..	..	..
91	68	6	7.2	Do. pref.	50	14½	15	14¾	15
5.87	.15	.	...	St. Law. Corp.	15	86	85	84	84
12½	1	.	...	Do. (A)	610	2.50	2.75	2.50	2.50
56	15	1.50	2.7	St. Law. Flour	265	6	6	5½	6
100	92	7	7	Do. pref.	....	56	..	..	..
25	2¾	.	...	St. Law. Pap. p	....	100	..	..	..
13	4	50c	...	Stand. Chem.	110	16	16½	15½	16½
6	¾	.	...	St. Pav. & Mat.	....	7	..	..	..
25	16	.	...	*Do. pref.	5	3	2	2	2
19½	1	.	...	Stand. Steel	....	21	..	..	..
x35	30	.	...	Do. pref.	1490	10½	13	8¾	12
33	14½	1.20	4.2	Steel of Can.	232	27½	28½	27½	28½
34	24⅞	1.75	5.6	Do. pref.	210	32	31½	31	31
6	1	.	...	Sterling Coal	....	6	..	..	..
10½	6	.	...	Stop & Shop	....	6	..	..	..
*495	385	.	...	Sun Life Ass.	....	493	..	..	..
22½	11	1	5.9	Sup. Pete. ord.	110	18	18	16¾	16¾
19	11¾	1	5.4	Do. com.	....	18	..	..	..
99	90	7	7.1	Do. pref.	....	99	..	..	..
				T					
40	40	.	...	Tamblyn	....	40	..	..	..
95	79	7	8.5	Do. pref.	25	80	82½	81	81½
20	10	■87½c	...	Thayers, pfd.	50	20	20	20	20
14	7¾	40c	3.3	Thrift Stores	100	13	12¾	12	12
30	21	1.62½	6.2	Do. pref.	25	25½	26	26	26
12	1	.	...	Tip Top Tailors	35	8	6⅞	6⅞	6⅞
70	35	7	11.7	Do. pref.	....	60	..	..	..
†22	10	.	...	Tooke Bros.	....	..	..	..	..
16½	12½	.	...	Do. pref.	....	..	..	..	..
27	12½	1	...	Tor. Elevators	10	16½	15	15	15
167	138	6	4.1	Tor. Gen. Tr.	50	23	22	22	22
100	90	6	6.1	Toronto Mtge.	....	147	..	..	..
2⅞	¾	.	...	Traymore	13	95	98	97	97
5	½	.	...	Do. pref.	480	2⅜	2	1¾	2
120	107	7	6.1	Tuckett Tob. p.	145	5	5	3	4½
4	1	.	...	Twin City	20	115	115	115	115
615	5½	.	...	Do. pref.	....	3½	..	..	..
				U					
7⅞	2⅜	.	...	Union Gas	505	3⅞	4½	3½	4½
40	30	.	...	Union Trust	....	30	..	..	..
†8	8	.	...	United Fuel	....	..	..	..	..
17½	4½	.	...	Do. pref.	....	..	..	..	..
8	7	.	...	Un. Amuse. A.	....	5	..	..	..
7½	7½	.	...	Do. (B)	....	8	..	..	..
30	19½	2	7.7	United Secs.	....	7½	..	..	..
					....	26	..	..	..
				V					
7	2	.	...	Viau Biscuit	25	4	3½	3½	3½
49	29	.	...	Do. pref.	....	29	..	..	..
				W					
18½	4	.	...	Wabasso Cot.	600	14½	15½	14½	15½
68	4	.	...	Walker-Good	24601	43	48	42¾	47½
18½	9½	1	6.4	Do. pref.	4592	15	16	15	15¾
8	1½	.	...	Waterloo Mfg.	25	2½	2½	2½	2½
x80	75	7	...	W. Koot. Pr. p	....	..	..	..	..
18	4	.	...	West. C. Flour	....	9½	..	..	..
70	45	3	6	Do. pref.	....	47½	..	..	..
24	8	.	...	West. Grocers	....	24	..	..	..
85	54	7	8.2	Do. pref.	25	84	85	85	85
†91	85	.	...	W. Steel Pr. p	....	..	..	..	..
59½	16½	1	1.7	Weston Ltd	1686	53	57	55	56¾
88	67	7	8	Do. pref.	10	88	87½	87½	87½
5	3½	.	...	Whittall Can	....	3¾	..	..	..
50	30	6.50	...	Do. pref.	....	40	..	..	..
5	3	.	...	Windsor Hotel	....	3	..	..	..
12	5	.	...	Do. pref.	90	5	5	5	5
5½	1	.	...	Winnipeg Elec.	205	2	2⅛	2⅛	2½
10⅞	3½	.	...	Do. pref.	....	5	..	..	..
18	7	.	...	Woods Mfg. p	....	18	..	..	..
				Z					
1½	1½	.	...	Zimmerknit. c.	....	1½	..	..	..

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931
‡ Quotations for 1920
b New York Quotations
▲ Stock-dividend
° Plus final dividend of 17½c. paid Mar. 31.
■ Covers payment due Jan. 3 last and deferred; paid Mar. 15.
* See "Unlisted Stocks" also.
§ On arrears.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
October 10, 1933

Industrial Bonds:	Bid October 10	Asked October 10	Bid Oct. 3
Abitibi P. & P. 5% 1953	24.00	25.00	24.00
Acadia Sugar 6% 1946	91.00	98.00	91.00
Albert Bay 6½% 1942	48.00	....	48.00
Alta. Pacific Grain 6% 1946	67.00	70.00	67.00
American Sales Book 6% 1939	97.50	....	97.50
B. A. Oil 5% 1945	98.50	99.50	98.50
Can. Biscuit 6½% 1946	....	21.50	20.00
Can. Bread 6% 1941	94.50	96.50	95.25
Can. Cement 5½% 1947	72.50	73.50	70.00
Can. Steamships 6% 1941	17.00	18.50	17.00
Can. Canners 6% 1950	97.00	99.50	96.50
Can. Copper Refin. 6% 1945	104.00	105.50	102.50
Can. Cottons 5% 1940	90.00	93.00	90.00
Can. Vickers 6% 1947	42.00	44.00	43.00
Cons. Invest. 4½% 1959	55.00	58.00	55.00
Cosmos Imp. Mills 6½% 1944	85.00	....	85.00
Davies, Wm. 6% 1942	97.00	99.00	97.00
Debenture & Sec. 4% 1936	66.00	....	66.00
Dom. Tar & Chemical 6% 1949	65.00	67.50	65.00
Dom. Telegraph 5½% 1978 A	94.75	97.00	94.75
Dom. Textile 6% 1949	104.25	....	104.25
Dom. Woollens 6% 1948	22.00	25.00	22.00
Donnacona Paper 5½% 1948	28.00	30.00	28.00
Eaton Realty 5% 1949	90.25	93.00	90.25
Famous Players 6% 1948	74.00	75.00	74.00
Federal Grain 6% 1949	67.00	70.00	68.50
Firestone Tire 7% 1937	105.00	108.00	105.00
Fraser Cos. 6% 1932	30.00	32.50	30.00
Fraser Cos. 6% 1950	30.00	....	30.00
Galt Brass 7½% 1941	15.25	20.00	15.25
General Steel Wares 6% 1952	58.00	60.00	60.00
Goodyear Cotton 6% 1949	102.00	104.00	102.00
Great Lakes Paper 6% 1950	23.00	24.00	24.00
Gypsum, Lime & Alab. 5½% 1948	48.00	50.00	48.00
Harris Abattoir 6% 1947	100.00	103.00	100.00
Howard Smith 5½% 1953	72.00	....	72.00
Lake St. John 6½% 1947	33.50	34.50	31.00
Loew's Toronto 6% Serial	98.00	....	98.00
Maple Leaf Milling 5½% 1949	43.50	47.00	48.00
Massey-Harris 5% 1947	58.00	60.00	57.50
McColl-Frontenac 6% 1949	97.50	98.25	97.50
McKinnon Industries 6½% 1945	96.00	....	96.00
Mercury Mills 5½% 1953	49.50	....	49.50
Metropolitan Bldg. 7% 1944	82.00	....	82.00
Northern Ontario Bldg. 6½% 1939	65.00	70.00	65.00
Price Bros. 6% 1943	61.00	63.00	55.50
Richmond Bay 6½% 1947	60.00	65.00	60.00
Simpsons Ltd. 5½% 1949	70.00	73.00	70.00
Simpsons Ltd. 6% 1949	75.00	78.50	75.00
Steel of Canada 6% 1940	104.00	105.50	104.00
Stop & Shop 6% 1947	67.00	....	67.00
Toronto Carpet 6% 1944	82.00	....	82.00
United Gas & Fuel 5½% 1948	74.50	78.50	74.50
United Grain Growers 5% 1948	73.50	77.00	74.00
United Grain Growers 5½% 1949	77.00	80.00	77.00
Wabasso Cotton 7% 1942	72.00	76.00	72.00
Western Grain 6% 1949	67.00	70.00	67.00
Public Utility Bonds:			
Bell Telephone 5% 1955	103.00	105.00	104.00
Bell Telephone 5% 1957	103.00	105.00	104.00
B. C. Power 5½% 1960	88.00	89.50	87.00
B. C. Telephone 5% 1960	92.50	94.00	92.50
Calgary Power 5% 1960	80.50	82.00	79.00
Can. Northern Pwr. 5% 1953	75.00	76.50	74.00
Duke-Price Pwr. 6% 1966	75.00	77.00	72.00
French Nat'l Mail S.S. 6% 1952	130.00	....	130.00
Gatineau Pwr. 6% 1941 A	69.00	70.50	69.00
Gatineau Pwr. 5% 1956	76.75	77.50	76.00
Maclaren Quebec 5½% 1961	80.25	81.50	78.00
Manitoba Power 5½% 1951	25.50	29.00	28.00
Montreal Isl. Pwr. 5½% 1957	96.50	97.50	96.50
Montreal LH&P 5% 1951	104.00	106.00	104.00
Montreal LH&P 5% 1970	103.50	106.00	103.50
Montreal Tram 5% 1941 July	95.50	97.00	95.50
Montreal Tram 5% 1955	74.00	75.00	73.00
Northwest Utilities 7% 1938	96.00	98.50	96.00
Ottawa Valley Pwr. 5½% 1970	98.50	100.50	98.50
Quebec Power 5% 1968	88.50	90.00	90.00
Rio Tramways 5% 1935	99.00	101.00	99.50
Shawinigan W. & P. 4½% 1970	72.75	73.50	71.75
Shawinigan W. & P. 5% 1970	83.50	84.25	80.50
Shawinigan W. & P. 6% 1967	94.50	95.50	92.50
Southern Can. Pwr. 5% 1955	99.50	101.00	99.50
West Kootenay Pwr. 5% 1956	97.00	98.50	97.00
Government, Provincial & Railway:			
C. N. R. 4½% 1951 Dom. Gtd.	101.25	102.00	101.25
C. N. R. 4½% 1957 Dom. Gtd.	100.00	101.75	100.00
C. N. R. 5% 1969 Dom. Gtd.	105.00	106.00	105.00
C. P. R. 4½% 1944	71.00	73.00	71.00
C. P. R. 6% 1942	104.00	....	104.00
Dom. of Can. 5% 1936	102.00	102.50	102.00
Dom. of Can. 5% 1941	103.75	104.25	103.75
G. T. P. 3% 1962 Dom. Gtd.	81.25	82.25	81.25
G. T. P. 4% 1962 Dom. Gtd.	94.75	96.00	94.75
Ont. Hydro 3½% 1952 Ont. Gtd.	91.25	92.50	91.25
Ont. Hydro 4¾% 1970 Ont. Gtd.	100.00	102.00	100.00
Ont. Hydro 4% 1957 Ont. Gtd.	92.00	93.00	92.00
Prov. of N. B. 5½% 1952	104.00	105.00	104.00
Prov. of Ont. 5½% 1946	107.75	108.25	107.75
Prov. of Ont. 5% 1948	103.75	104.50	103.75
Prov. of Ont. 5½% 1944	102.25	104.00	102.25

Listed Bond Quotations

Week Ending October 9, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Abitibi, 1st mtge.§	5	1953	...	24½	...	...		
Asbestos	5	1942	...	23	...	...	18	13
Can. Cons. Rub.	6	1946	...	...	...	...	*65½	49
Can. Cottons	5	1940	3.11	...	...	...	62	...
Can. Forgings	6	1942	...	...	...	...	84⅝	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	*100	...
Do., (Way. Ser.)	5½	1958	...	4	...	...	5	3
Can. S.S. Debs.	5	1943	...	4	...	...	*28½	5½
Cedars Rapids	5	1953	...	...	...	...	*83½	...
Dom. Canners	6	1940	...	...	...	...	108	108
Dominion Coal	5	1940	...	...	...	...	‡103	...
McNish	6	1948	...	...	...	...	37	...
Mex. L. & Pr.	5	1940	...	2.75	...	...	3.00	1.00
Mtl. L.H.&Pr. debs.	3	1939	...	†59	...	...	*73½	70½
Mont. Tr. 1st mtg.§	5	1941	5.57	44½	45	44½	47½	39½
Mont. Trams. A§	5	1955	7.44	95½	96⅛	...	98½	95½
Do., G & Ref. B	5	1955	7.44	74	74	...	81⅛	58
Do., C	4½	1955	9.03	74	74⅛	73⅜	74⅛	73⅜
Do., D	5	1955	6.86	...	...	...	57	57
N. S. Steel	5	1959	...	73	...	...	77⅜	76½
Ontario Steel	6	1943	7.4	...	...	...	*62⅝	58
Porto R. Pr.	5	1936	...	87½	...	...	90	80
Steel of Canada§	6	1940	...	...	...	...	*93	88
Wayagamack	6	1951	...	103⅞	...	...	*102½	100
Winnipeg Elec.§	5	1935	...	...	...	...	*75	45
				75	...	...	79	75
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*101½	...
Dominion Govt. Bonds (Montreal)								
Victory Loan	5½	1933	...	106.00	....	....	116.25	107.00
War Loan§	5	1937	...	100.20	....	....	100.75	100.00
Do.	5½	1934	3.97	101.25	101.20	....	102.60	101.15
Do.	5½	1937	3.17	108.25	....	....	110.25	109.25
Do., refund	4½	1940	4.25	100.75	....	....	101.25	99.70
Do., refund	5	1943	4.49	103.50	....	....	104.90	101.85
Do., refund	4½	1944	4.31	100.75	....	....	100.50	98.75
Do., refund	4½	1946	4.32	100.75	....	....	*92.25	91.50
Do., renewal	4	1952	4.35	94.50	....	....	95.25	91.63
Conversion Loan	4½	1956	4.45	99.50	....	....	100.70	97.00
Do.	4½	1957	4.46	99.50	....	....	99.00	96.00
Do.	4½	1958	4.50	99.50	....	....	100.50	97.75
Do.	4½	1959	4.50	100.50	....	....	100.87	97.50
Nat. Service Loan	5	1936	4.13	101.75	....	....	103.25	101.50
Do.	5	1941	4.43	103.25	....	....	103.75	100.75
Dom. Loan	4	1935	3.74	99.75	....	....	99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	...	12	....	....	....

†Latest ask. ‡Quotations for 1930. °For 1931. *For 1932. ... None recorded in 1933 to date. §Payable in Canada and New York.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
October 10, 1933

Industrial Stocks	Bid	Asked
Acadia Sugar c.	.85	1.35
Acadia Sugar 6% pfd.	3.85	4.50
Acme Farmers Dairy 7% pfd.	....	39.50
Agnew Surpass 7% pfd.	63.00	68.00
Allens Lond. 7% pfd. bonus c.	34.50	....
Allens St. Cath. 7% pfd. bonus c.	34.50	....
Allens Toronto 7% pfd. bonus c.	20.50	....
Andian National U. S. Funds	25.00	27.50
Atlantic Sugar A pfd.	78.00	86.00
B. C. Pulp & Paper pfd.	7.75	....
Burns pfd. bonus com.	....	7.00
Canada & Dominion Sugar	33.50	37.00
Canada Mach. c.	3.50	5.50
Canada Mach. pfd.	20.25	....
Canada Packers c.	36.00	39.00
Canada Packers pfd. ex-div.	100.00	103.50
Canada Starch 7% pfd.	72.50	....
Canada Starch c.	4.25	....
Canada Tea 7% pfd.	45.50	57.00
Canada Wire & Cable 6½% pfd. WW	62.00	67.00
Can. Industries com. A	104.00	....
Can. Industries com. B	104.00	108.00
Can. Industries 7% pfd.	121.00	125.00
Can. Westing.	43.75	47.50
Chase, A. W. pfd. bonus com.	11.00	14.00
Claude Neon Gen. Adv. Units	4.00	6.00
Dom. Foundries & Steel 8% pfd.	45.50	52.00
Dom. Foundries & Steel com.	4.87	6.25
Dom. Manufacturers 7% pfd.	....	60.50
Dunlop Tire 7% pfd.	54.00	59.00
Eastern Dairies Ltd. 7% pfd.	....	25.00
Edmonton Stockyards Units	....	51.00
Federal Grain c.	1.30	3.25
Federal Grain 6½% pfd.	25.00	29.00
A. J. Freiman pf.	46.50	53.00
General Steel Wares pfd.	12.50	15.00
Goderich Elevator & Transit	4.25	5.25
Greening Wire 7% pfd.	48.50	53.00
Guelph Carpet 6½% pfd. bonus	65.00	71.00
Guelph Carpet c.	6.00	....
Inter City Baking com.	16.25	18.50
Inter. Proprietaries A	31.00	33.00
Loew's London c.	.30	.75
Loew's Lond. pf.	3.00	4.00
Loew's Toronto 7% pfd.	60.00	66.00
Massey-Harris 5% pfd.	12.75	15.00
Medical Arts pfd. bonus com.	95.50	....
Mount Royal Hotel com.	.25	.70
Mount Royal Hotel 6% pfd.	3.15	....
Nat. Grocers com.	....	2.00
Nat. Grocers 7% pfd.	....	95.00
Ont. Silknit pfd.	30.00	....
Paramount Kitchener pfd.	31.00	....
Paramount Oshawa com.	2.00	....
Paramount Oshawa pfd.	31.00	....
Provincial Paper 7% pfd.	64.00	....
Reliance Grain 6½% pfd.	40.00	45.50
Rolland Paper 6% pfd. WW	45.00	50.00
Serv. Stations A pfd.	25.00	31.00
Standard Clay Products c.	....	15.00
Standard Fuel 6½% pfd. bonus	68.50	....
Supersilk pfd. bonus	30.50	....
Supertest Petroleum B pfd.	21.50	....
Toronto Elevators 7% pfd.	85.00	90.00
United Corpns. Ltd. A	5.05	....
United Corpns. Ltd. B	1.60	....

Ind. Stock cont'd.	Bid	Asked
United Grain Growers	9.00	12.00
Western Grain 6½% pfd. bonus	13.00	18.00
Western Grocers pfd.	84.00	90.00
Wood, Alex. & James pfd.	16.00	21.00
Insurance Stocks:		
Br. Amer. Assce.	23.00	....
Canada Life Ass.	420.00	....
Can. Fire Ins.	55.00	60.00
Confederation Life 20% pd.	125.00	....
Continental Life 20% pd.	46.00	60.00
Crown Life Ins.	93.00	....
Dom. Fire Ins.	85.00	....
Dominion Life 50% pd.	155.00	....
Dom. of Can. Gen. Ins.	100.00	105.00
Empire Life 25% pd.	9.00	12.00
Excelsior Life 30% pd.	75.00	....
Federal Fire 25% pd.	37.00	....
Fidelity Ins. Co.	48.50	....
Great-West Life Assce.	320.00	350.00
Guarantee Co. of N. A. fully paid	....	250.00
Guarantee Co. of N. A. 20% pd.	....	50.00
Imperial Life	280.00	....
Mfrs. Life Ins.	248.00	255.00
Monarch Life 10% pd.	22.00	26.00
National Life 25% pd.	55.50	65.00
Saskatchewan Life 10% pd.	7.75	12.00
Sovereign Life 25% pd.	20.00	24.00
Sun Life Assur.	395.00	420.00
Western Assur. c.	15.50	18.00
Western Life 20% pd.	6.50	11.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	125.00	145.00
Can. Gen. Investments Ltd.	4.90	5.20
Can. Investors Corp.	5.25	7.00
Chartered Trust	60.00	....
Debenture & Sec. com.	5.50	....
Debenture & Sec. 5% pfd.	18.25	....
Dom. & Anglo Invest. Units	185.00	....
Eastern Can. Sav. & Loan	112.00	116.00
Eastern Trust	137.00	142.00
Guelph & Ont. Inv. par $50	45.50	51.00
Investment Foundation Units	29.00	32.00
Lambton Loan & Savings	50.00	57.00
London & West. Trust	....	50.00
Premier Trust	64.00	78.00
Security Loan & Savings	94.00	....
Sherbrooke Trust	100.50	110.00
Sterling Trust	....	45.00
Traders Finance A com.	.60	....
Traders Finance 7% A pfd.	32.50	....
Trusts & Guar.	27.00	33.00
Victoria Trust & Savings	130.50	139.00
Waterloo Trust & Savings	90.00	110.00
Power Issues:		
B. C. Elect. Pwr. & Gas pfd.	97.50	100.00
Calgary Power 6% pfd.	77.00	80.00
Can. Light & Power com.	20.00	24.00
Can. West. Nat. Gas LH&P pfd.	77.50	81.00
Maritime Tel. & Tel. com.	8.50	9.50
Maritime Tel. & Tel. 7% pfd.	10.25	11.50
N. B. Telephone c.	8.30	9.25
N. S. L&P com.	25.00	35.00
N. S. L&P 6% pf.	70.00	75.50
Recent London Quotations:		
Brewers & Distillers	10s. 6d.	
Can. & For. Secs.	4s. 6d.	
Can. West. Lumber	1s. 6d.	
Hudson's Bay	27s. 6d.	
Do., 5% pref.	92s. 6d.	
Internat. Holdings	$2¼	
Nfld. Pr. & Pap. deb. stock B	95	
Trust & Loan of Can.	3s. 4d.	

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
October 10, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	89.50	5.26
Alberta	5	1 July, 1943	1 Jan.	96.50	5.45
Alberta	6	1 Mar., 1947	1 Mar.	104.00	5.57
*British Columbia	4½	1 Oct., 1953	1 Apr.	89.00	5.40
*British Columbia	5	15 Jan., 1948	15 Jan.	95.50	5.45
British Columbia	6	15 Feb., 1947	15 Feb.	103.00	5.68
Manitoba	4	1 July, 194[illegible]	1 Jan.	83.00	5.79
*Manitoba	5	2 Dec., 1959	2 Dec	94.00	5.43
Manitoba	6	1 Apr., 1947	1 Apr.	101.00	5.89
*New Brunswick	4	1 June, 1948	1 Dec	92.00	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	101.00	4.37
New Brunswick	5½	15 May, 1950	15 Nov.	106.00	4.98
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	100.50	4.45
Nova Scotia	5	1 May, 1942	1 Nov.	102.00	4.75
*Ontario	4½	1 Sept., 1944	1 Mar.	102.50	4.22
Ontario	5	15 Oct., 194[illegible]	15 Oct.	104.50	4.50
Ontario	5½	1 Feb., 1947	1 Feb.	109.00	4.60
P. E. I.	4	1 Apr., 193[illegible]	1 Apr.	96.90	4.60
P. E. I.	6	1 May, 194[illegible]	1 Nov.	112.00	4.81
*Quebec	4½	1 May, 1961	1 Nov.	102.00	4.18
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	85.50	5.66
*Saskatchewan	5	1 Nov., 1959	1 Nov.	92.00	5.58
Saskatchewan	6	15 Mar., 1952	15 Mar.	101.00	5.91
*Newfoundland	5	31 Dec., 1952	31 Dec.	84.00	6.45
*Newfoundland	5½	1 July, 1939	1 Jan.	86.50	8.42
*Newfoundland	6½	30 June, 1936	31 Dec.	95.00	8.07
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	104.80	4.70
*Toronto	4½	1 Jan., 1955	1 Jan.	100.00	4.50
*Vancouver	5	15 Jan., 1970	15 Jan.	94.00	5.37
Winnipeg	5	1 Mar., 1944	1 Mar.	93.50	5.84
Edmonton	5½	1 Apr., 1947	1 Apr.	92.50	6.33
Calgary	5	1 Jan., 1949	1 Jan.	90.00	6.42
Halifax	6	1 July, 1951	1 Jan.	115.01	4.73
Saint John	5	15 Dec., 1950	15 Dec.	102.95	4.75
Regina	4½	1 July, 1950	1 Jan.	79.60	6.50
Victoria	5	21 July, 1945	21 Jan.	93.56	5.75
Quebec	5	1 June, 1948	1 Dec.	101.00	4.90

*Payable in New York.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil & Gas	8c	2c	Oct. 16	Sept. 30
Alberta Wood Pres. pfd.	$7	$1.75	Oct. 2	Sept. 23
B.C. Elec. Pr. & Gas pfd.	$6	$1.50	Oct. 2	Sept. 20
Buywell Food Mkts. pfd.	70c	17½c	Oct. 16	Oct. 10
Brantford Cordage, 1st pfd.	$2	50c	Oct. 15	Sept. 20
Belding Corticelli c.	$4	$1	Nov. 1	Oct. 14
B. C. Power "A"	$2	50c	Oct. 16	Sept. 30
Bell Telephone Co.	6%	1½%	Oct. 16	Sept. 23
Canada Nor. Power	80c	20c	Oct. 25	Sept. 30
Do., pref.	7%	1¾%	Oct. 16	Sept. 30
Can. Gen. Invest. (No. 21)	30c	7½c	Oct. 16	Sept. 30
Canada Bud Brew.	60c	15c	Oct. 16	Sept. 30
Canada Dry	$1	25c	Oct. 16	Oct. 2
Can. Fairbanks pfd.	6%	1½%	Oct. 14	Sept. 30
Can. Industries pfd.	$7	$1.75	Oct. 16	Sept. 30
Do., "A" & "B"	$3.50	87½c	Oct. 31	Sept. 30
Canadian Bronze	60c	15c	Nov. 1	Oct. 20
Do., pref.	$7	$1.75	Nov. 1	Oct. 20
Canada Iron pref.	3%	1½%	Nov. 15	Oct. 31
Can. Dredge pref.	7%	1¾%	Nov. 1	Oct. 18
Calgary Power pref.	6%	1½%	Nov. 1	Oct. 14
Eastern Twps. Tele. c.	72c	18c	Jan. 15/34	Dec. 31
Dome Mines	$1	25c	Oct. 20	Sept. 30
Do., extra	..	25c	Oct. 20	Sept. 30
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dominion Textiles pfd.	7%	1¾%	Oct. 16	Sept. 30
Dominion Rubber pref.	7%	1¾%	Oct. 16	Oct. 10
Eastern Trust	$8	$2	Oct. 2	Sept. 15
Eastern Can. Savings	$8	$2	Oct. 2	Sept. 20
Guar. Co. of N.A.	$6	$1.50	Oct. 16	Sept. 30
Do., extra	$10	$2.50	Oct. 16	Sept. 30
Humberstone Shoe	$2	50c	Nov. 1	Oct. 14
Howe Sound	$1	25c	Oct. 15	Sept. 30
Inter. Nickel, pref.	7%	1¾%	Nov. 1	Oct. 2
Inter. Hydro-Elec. pfd.	$3.50	87½c	Oct. 16	Sept. 25
Invest. Foundation pfd.	$1.50	37c	Oct. 16	Sept. 30
Do., extra on arrears	..	13c	Oct. 16	Sept. 30
Imperial Bank	10%	2½%	Nov. 1	Sept. 30
Inter. Utilities, prior pfd.	$7	$1.75	Nov. 1	Oct. 16
Do.	$3.50	87½c	Nov. 1	Oct. 16
Mercury Oils	..	4c	Jan. 2	Nov. 30
Montreal Tramways	$9	$2.25	Oct. 14	Oct. 5
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
McColl-Fron. pref.	$6	$1.50	Oct. 14	Sept. 30
National Biscuit c.	$2.80	70c	Oct. 14	Sept. 22
Northern Ont. Power	$2	50c	Oct. 25	Sept. 30
Do., pref.	6%	1½%	Oct. 25	Sept. 30
Power Corp. pref.	$6	$1.50	Oct. 16	Sept. 30
Do., 2nd pref.	$3	75c	Oct. 16	Sept. 30
Penmans	$3	75c	Nov. 15	Nov. 6
Do., pref.	$6	$1.50	Nov. 1	Oct. 21
Premier Gold Min.	12c	3c	Oct. 16	Sept. 15
Quarterly Inc. Shares	..	3c	Nov. 1	Oct. 16
Steel of Canada	$1.20	30c	Nov. 1	Oct. 7
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 7
Southern Can. Power c.	80c	20c	Nov. 15	Oct. 31
Southern Can. Power pfd.	6%	1½%	Oct. 16	Sept. 20
Simpson, Robt., pref.	6%	3%	Nov. 1	Oct. 16
Teck Hughes	60c	15c	Nov. 1	Oct. 10
Toronto Elevators pref.	$7	$1.75	Oct. 15	Sept. 30
Tuckett Tobacco, pref.	7%	1¾%	Oct. 14	Sept. 30
United Securities	$2	50c	Oct. 16	Sept. 27
Western Grocers pref.	$7	$1.75	Oct. 15	Sept. 20

Dividend Rate Reduced:
Southern Can. Power c. Nov. 15, $1 to 80c. per annum.

Dividends Passed or Deferred:
International Utilities, $1.75 preferred, Oct. 16, deferred. Last paid 43¾c July 16, 1933.

Dividend Rate Increased:
Howe Sound, Oct 15, 40c. to $1 per annum.

Winnipeg Stock Exchange

(Transactions for week to October 6)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Oct. 6
..	..	Bobjo	50	.22	.22	.22
2	9.3	Blue Ribbon, pref.	57	21½	19½	21½
..	..	Central Manitoba	8800	.19	.14	.18½
..	..	Bunker Hill	1000	.09	.09	.09
..	..	God's Lake	850	.80	.75	.80
..	..	Home Investment	25	20	20	20
..	..	Island Lake	2000	.17	.17	.17
..	..	Mining Corp.	200	2.00	2.00	2.00
..	..	San Antonio	500	1.50	1.50	1.50
..	..	South Tibblemont	800	.27	.25	.27
..	..	Traders Building	10	.65	.65	.65
..	..	Ventures	300	.91	.91	.91

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumb. pref.	64	65	Polissiers, pref.	20	..
Beaver Fire	..	100	Reliance Grain pfd.	..	42
City Dairy 8% pf.	..	40	Sovereign Life	..	20
Crcs. Creamery pf.	..	20	Can. Amer. Tr. shs.	..	3½
Great-West Life	310	..	Fundamental Ser. A	..	4½
Monarch Life 10% pd.	17	..	Fundamental Ser. B	..	4
Northern Trust	15	20	Group. Income Shs.	..	4.50

*Stocks more active on other exchanges not included.

CLASSIFIED ADVERTISEMENTS

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Translation Services

TO BROKERS, MINING COMPANIES, MERCHANTS—Have your ads., circulars, reports, etc., translated in French, it will help you to reach a bigger market in the Province of Quebec and render an invaluable service to investors. Write for full details to P. O. Box 402, Quebec, P.Q.

Working Partner Wanted

A SMALL ESTABLISHED shrub and flower nursery with greenhouses near Toronto requires a working partner who will take over office and sales work. A good opportunity for man retiring from active business. Box 170, The Financial Post, Toronto, Ont.

Fire Inspector Wanted

OLD ESTABLISHED MUTUAL Fire Insurance Company requires the services of an experienced inspector for Western Canada. One with agency following and rating knowledge of Alberta and British Columbia territory given preference. Box 190, The Financial Post, Toronto.

Handwriting Analysis

DO YOU WANT A COMPLETE knowledge of yourself and powers? Send specimen of handwriting for a thumb-nail analysis—which gives your right job, what you look like, personality, marriage affinity, faults to remedy. Fee $1. State present work. Address F. D. Jacob, P. O. Box 701, Ottawa, Ont. Well-known graphologist, heard over Radio this summer.

Verbatim Reports

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to ensure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

Service for Investors

INDIVIDUAL investors may secure a special service on specific companies in which they are interested. Service includes detailed analyses and all newscards and revisions published on those companies during the year. Send in your list of companies. Rate—$12 a year for any 10 companies. Additional companies pro rata. Or write The Financial Post Corporation Service, 210 Dundas Street West, Toronto, for further particulars.

DIVIDEND NOTICES

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending September 30th, 1933, has been declared upon the paid-in Capital Stock of the Company, to Shareholders of record on Thursday, the 5th day of October, 1933, at 4 o'clock p.m., payable on Saturday, the 14th day of October, 1933.

By order of the Board,

PATRICK DUBEE,
Secretary.

September 28th, 1933.

Mercury Oils, Limited

NOTICE
To Shareholders

Notice is hereby given that a dividend of four cents per share has been declared upon the Common shares of the Company, issued and outstanding, payable on January 2nd, A. D. 1934, to shareholders of record at the close of business on Thursday, November 30th, A. D. 1933.

The transfer books of the Company will be closed at 5 p.m. on Thursday, November 30th, A. D. 1933, and will be reopened on Saturday, December 30th, A. D. 1933.

By Order of the Board of Directors,

CHAS. BIGGS,
Secretary.

Transfer Office,
300 Lancaster Building,
Calgary.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

SOUTHERN CANADA POWER COMPANY
LIMITED

Common Dividend No. 34

A DIVIDEND of Twenty Cents (20c) per share, being at the rate of 80c. per annum, on the no par value COMMON STOCK of Southern Canada Power Company, Limited, has been declared for the quarter ending October 31st, 1933, payable November 15th, 1933, to shareholders of record at the close of business on October 31st, 1933.

By order of the Board,

L. C. HASKELL,
Secretary.

Montreal, September 22nd, 1933.

Canadian Dredge & Dock Co. Limited

Preferred Dividend No. 23

Notice is hereby given that the quarterly dividend of one and three-quarter per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending October 31st, 1933, payable November 1st, 1933, to Shareholders of record at the close of business on October 18th, 1933.

By Order of the Board.

T. C. Luke,
Secretary.

Midland, Ontario,
October 6th, 1933.

E. A. Nanton New Director Osler, Hammond, Nanton

At the annual meeting of the shareholders of Osler, Hammond & Nanton, Ltd., held in Winnipeg recently, Edward Augustus Nanton was elected a director of the company. Mr. Nanton, who has been connected with the company for some time past, is the eldest son of the late Sir Augustus Nanton, one of the founders of the business.

Mr. Nanton is also a director of Osler & Nanton Trust Co.

R. Emmet Cox Elected to National Life Board

R. Emmet Cox, president of Financial Advertising Agency and affiliated companies, has been elected a director of the National Life Assurance Co.

Previous to the organization of the companies that he now controls, Mr. Cox had been identified with financial journalism and for a number of years served leading daily papers in Montreal, Toronto, New York and London.

SINKING FUND BONDS COSTLY AND PERILOUS

(Continued from page 9)

to other debts, and part settled by the exchange of new securities as described.

Tests of The Sinking Fund

Those municipalities which have outstanding debentures repayable by the sinking fund method should have a yearly investigation to ascertain whether the accumulations of sinking fund on hand plus future payments to be made into it, are sufficient to discharge the sinking fund debts at maturity. It is very rarely that any reference is made in the treasurer's or auditor's report on this most important subject. There should also be given in the auditor's statement a complete list of the securities held for the sinking fund.

In the past investment houses who are the chief purchasers of municipal securities and who retail them to investors, rather encouraged the issue of bonds by the sinking fund method in preference to installment chiefly because of convenience in marketing. But practically all those houses that have given the subject intelligent study—and have the best interest of the municipality at heart—now unhesitatingly recommend the installment type of debenture.

The objection has been raised against installment debentures that because the London market is not accustomed to them, they cannot easily be marketed there. The objection is a practical one, but no municipality would be justified in running all the risks enumerated and others, in issuing sinking fund debentures for the chance of obtaining a slightly better price for its securities. In this connection, while sometimes in the past a better price was obtained in disposing of securities in United States or Great Britain it is most questionable, in view of the losses recently occasioned in the purchase of exchange to meet interest and principal requirements in these countries, whether on the whole it would not have been less costly to have marketed them at home.

Recognition of Contract

Wherever existing bonds may be payable it is essential that the wording of the contract be lived up to, legally as well as morally. Some municipalities having coupons and debentures payable in United States and having felt the burden of expense in providing funds for payment in the United States, in view of the high premiums which have prevailed, have taken advantage of technical loopholes in the wording of their bonds to pay only in Canadian funds. Such action tends not only to destroy municipal credit, but reacts unfavorably upon credit of major governments.

Accounting and Auditing

There is a matter which although somewhat delicate should be referred to, and that is the primitive, inefficient and careless way in which many of the records, books and accounts of a number of municipalities are kept. Opportunity has been afforded to examine the records of municipalities and it has been a startling surprise to discover the unsatisfactory conditions of several of them. It is no wonder under such circumstances that certain municipalities' statements are not forthcoming promptly after the close of the year; it is no wonder that excuses are made that budgets cannot be prepared and presented until several months of the new year have passed; it is no wonder that tax demands are delayed; that tax arrears are permitted to mount; and that excessive debts are undertaken.

It is believed that the main reason for these conditions is an absence of trained permanent officials. Successive councils are, of course, responsible for the character of the personnel. They are in a position similar to that of directors of a financial or mercantile corporation and among their duties should be to see that proper officials are placed in charge; that proper accounting methods are installed and maintained; that proper statements are submitted to them, and further that they are fully informed in regard to all the operations of the municipality from month to month.

Political Interference

In this connection it is a serious reflection upon our municipal administrators that not infrequently when a vacancy does occur in an office, the council does not endeavor to find the most efficient and capable person for that position, but local politics are allowed to interfere and Tom, Dick or Harry is given the job because of his friendship, or because of his special efforts in trying to get the job.

It is freely recognized that in a number of our municipalites the officials are capable and efficient, many of them being of good professional standing or recognized experts, throughly trustworthy and devoted to their studies, and the councils of these municipalities are not only to be congratulated because they have selected men of this type, but because they have such men to assist them in the important and somewhat highly technical duties associated with their offices.

There is one other observation to be made in this connection, and that is that while the affairs of all of the municipalities are audited, the extent of the audit in some instances is very superficial. Should there not be provision made in our municipal statutes that the affairs of every municipality should be audited by a chartered accountant, or someone of equivalent standing, and that the complete audited statement for the year should be available for council within 20 days after the close of the year? Moreover, the somewhat common custom that the affairs of the municipality should be audited only at the close of the year is not sound. An audit to be of any value should be performed monthly and the result of such audit made known regularly to council. These principles have to my knowledge been put into effect and have kept councils and officials well informed of all operations.

Can our high record of municipal finance be maintained? Yes, if officials and members of council are prepared to operate our municipal affairs efficiently and wisely, and regard their duties as a trust for ratepayers, as well as debenture holders, who have loaned generously of their money to provide the improvements, undertaking and services which our municipalities own and enjoy.

Editor's Note—This is the final section of a paper delivered by Mr. Bradshaw before the Ontario Municipal Association.

Crescent Silver Mining Is Being Wound Up

Creditors of the defunct Crescent Silver Cobalt Mining Co. Ltd., incorporated in 1923, and holding claims in Coleman Township, Ont., have been advised of a proposal made to reorganize and obtain clear title to the company's property.

An offer has been made by Dr. A. D. MacArthur, under the terms of which he agrees to pay $3,500 to secure title to the claims. A new company is to be incorporated to take over the company's claims. The capitalization of the new company is to be 2,500,000 shares of $1 each and shares are to be issued to creditors of the Crescent Silver Cobalt Mining Co., also the Primo Silver Cobalt Mining Co., the vendor of some of the claims held by Crescent.

Common shareholders of Crescent Silver Cobalt Mining Co. and Primo Silver Cobalt Mining Co. do not share in the plan of reorganization.

Grange Mines Acquires Big Slide Mining Assets

From Our Own Correspondent

VICTORIA.—New interests in control of Big Slide Mining Co. have announced that Grange Mines has been incorporated to take over the Big Slide assets.

Grange Mines is capitalized at 2,000,000 shares of no par value, all of which will be outstanding. Shareholders in Big Slide will receive one share in Grange for each four held. Officers of the new company include W. L. Gilbert, president; H. A. Stewart and Dr. A. Clarke.

The new management is proceeding with development underground and with the installation of a mill rated at 50 tons a day. All financing to the production stage is being provided by the new controlling interests, who, it is understood, will be repaid from first earnings.

Mining Stock Quotations

Week Ending October 9.

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Oct. 2 (or last)	High for week	Low for week	Close Oct. 9
1	.02½	.00¾	Aconda	4,700	.01½	.01½	.01	.01
No	.30	.03	Aldermac	49,980	.24	.25	.22½	.22½
1	.03¾	.01	Alexandria	14,000	.02	.02	.01½	.01½
No	.06	.01½	Algoma	42,000	.02	.02	.01½	.01½
1	.10½	.00½	Algonquin	7,000	.00½	.00½	.00½	.00½
1	.06	.00½	Amity C.	20,900	.03½	.04	.03½	.04
No	.75	.10	Amulet	18,161	.48	.48	.47	.47
1	.01	.00½	Apex	......	.00½	.....	.....	.....
1	.07½	.01½	Area	6,900	.04½	.04½	.04½	.04½
No	.11	.05½	Arno (new)	3,400	.06½	.07	.05½	.07
1	1.36	.74	Ashley	300	1.15	1.15	1.15	1.15
1	.14	.02½	Bagamac	4,500	.04½	.04	.04	.04
1	.03	.00½	Baldwin	21,000	.01½	.01½	.01	.01
1	.20	.08	Barry Hollinger	287,850	.14	.15½	.13	.14
1	2.45	.75	Base Metals	39,570	2.04	2.20	2.60	2.15
1	1.29	.60	B. E. A. R.	185,300	.73	.85	.73	.82
1	.40½	.08	Big Missouri	22,550	.22	.23	.21	.21
1	.45½	.44	Big Missouri (new)	12,800	.44	.45½	.44	.44½
1	.28½	.08½	Bobjo	23,930	.24	.24½	.22	.23
No	13.25	2.28	Bralorne	5,100	11.75	12.00	11.50	11.50
1	.25	.15	Brett Trethewey	5,500	.20	.20	.18	.18
1	.07½	.01½	Brownlee	104,200	.03½	.03½	.02½	.02½
1	.03	.00½	Buckingham	8,000	.01	.01	.01	.01
No	.09½	.01½	Buffalo Can.	44,200	.05½	.06½	.05	.06
5	20.50	15.40	Bulolo	4,745	20.00	21.00	19.95	20.00
No	.10	.01½	Bunker Hill	82,500	.08½	.08½	.07½	.07½
5s	1.25	.60	B'Wana McKubwa	......	.75	.....	.....	.....
No	.05	.02½	Canam Metals	500	.05	.04	.04	.04
1	.12½	.03	Can. Kirkland	268,750	.09½	.12½	.08	.09½
No	.60	.32	Can. Malartic	52,425	.46	.60	.44½	.55
1	.02	.00½	Capital Rouyn	156,000	.01	.01½	.01	.01
1	.03½	.01	Cartier Malartic	2,000	.01½	.01½	.01½	.01½
1	.72	.15	Castle Trethewey	20,105	.50	.53	.51	.53
1	.20	.06	Cen. Manitoba	113,075	.18½	.19½	.16	.17
1	.73	.17	Cen. Patricia	52,525	.68	.70	.63	.63
No	.20	.03	Chibougamau Pros.	54,300	.07½	.07½	.06	.06
No	.12	.03	Church. M. & Mill.	70,600	.09½	.11½	.09½	.11½
No	.04	.00½	Clericy	30,800	.02½	.02½	.02½	.02½
1	.03	.01	Clifton Cons.	14,000	.01½	.01½	.01	.01½
5	9.00	1.65	Coast Copper	25	5.50	5.50	5.50	5.50
1	.15	.00½	Cobalt Contact	33,400	.05	.06	.05	.05
1	.33	.05	Columario	16,700	.15	.18	.15	.18
5	1.90	.75	Coniagas	100	1.25	1.24	1.24	1.24
No	1.00	.20	Coniaurum	8,522	.82	.95	.80	.90
25	144.00	54.00	Cons. Smelters	1,501	134.00	137.00	133.25	135.00
No	40.00	13.60	Dome Mines	16,135	37.00	40.00	37.00	37.90
No	.15½	.03½	Dom. Explorers	8,500	.05½	.05½	.05	.05
1	.02½	.00½	Dominion Kirk	59,100	.01½	.02½	.01½	.02½
1	.04	.01	Don Rouyn	......	.01½	.....	.....	.....
1	.04½	.01½	Duparquet	......	.03	.....	.....	.....
1	8.10	1.16	Eldorado	15,220	4.00	4.05	3.75	3.80
No	4.55	1.80	Falconbridge	3,147	3.90	3.90	3.60	3.75
1	.06	.01	Federal	20,500	.02½	.03	.02½	.02½
No	.07	.01	Gilbec	3,600	.02½	.03	.02½	.02½
1	.17	.04	Goldale	72,300	.12	.14½	.11	.14
10	.29	.10	Goldfield	3,500	.20	.21	.20	.21
.	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.23	.02	Goodfish	36,500	.19	.20	.15	.18
1	.04	.01	Graham	1,000	.02½	.02	.02	.02
1	1.95	.75	Granada	20,643	.84	.86	.80	.83
1	.18	.06	Grozelle	17,500	.07	.11	.08	.11
1	.45	.24	Halcrow Swayze	3,100	.42	.42	.39	.40
1	.06	.02	Harker	7,000	.03½	.03½	.03	.03
1	.01½	.00½	Hilltop	20,500	.00½	.00½	.00½	.00½
5	11.00	6.00	Hollinger	12,303	10.75	10.90	10.50	10.60
1	1.51	.61	Howey Gold	91,111	1.17	1.23	1.16	1.20
No	12.25	3.10	Hudson Bay	615	10.50	11.00	10.00	10.00
No	.55	.25	Huronian	1,140	.50	.50	.50	.50
1	12.25	8.50	Inter. Mining	3,140	10.75	12.05	12.00	12.00
No	23.25	8.00	Int. Nickel	43,355	20.40	21.00	19.75	20.10
1	.04½	.00½	Jackson Manion	87,200	.04½	.04½	.04	.04
1	.70	.20	Keeley	1,905	.54	.55	.53	.53
1	.02	.00½	Keora Mines	4,000	.01½	.01½	.01½	.01½
1	.76	.48	Kirk. Hud. Bay	14,700	.58	.62	.54	.60
1	.02½	.00½	Kirk. Hunton	4,500	.00½	.00½	.00½	.00½
1	.52	.30	Kirkland Lake	163,565	.39	.44	.38	.39
1	.04	.01½	Kirkland Premier	11,000	.01½	.02	.02	.02
1	.52	.12	Kirk. Townsite	25,300	.37	.38	.34	.34
20c	.02½	.00½	Koot. Florence	2,500	.01½	.01½	.01½	.01½
1	.35	.15	Lakeland	5,330	.20	.20	.20	.20
No	.32	.07	Lake Maron	162,300	.15	.17	.14	.15
1	50.50	30.75	Lake Shore	16,974	49.50	50.50	49.50	50.10
1	.23½	.02½	Lebel Oro	30,100	.16	.19	.16	.16
No	.29	.11	Lee Gold	39,850	.19	.19½	.18	.18½
1	1.29	.20	Macassa	342,000	1.24	1.26	1.03	1.04
1	.07½	.01	Malrobic	143,800	.04½	.04½	.02½	.02½
No	.17	.02½	Mandy	4,400	.10	.13	.10	.10½
No	.07	.01	Manitoba Basin	7,600	.02½	.02½	.02½	.02½
5	47.50	21.20	McIntyre	6,485	46.50	47.50	44.00	44.00
1	.55	.30	McKinley	375	.51	.50	.50	.50
No	.08	.02½	McLeod River	25,500	.02½	.02½	.02½	.02½
1	.35	.03	McMillan	33,250	.34½	.35	.32½	.33
No	1.15	.46	McWatters	41,000	.55	.67	.54	.65
1	1.05	.15	McVittie	62,156	.99½	1.00	.93	.94
5	1.25	.06	Mentor Exp. & Dev.	......	1.05	.....	.....	.....
1	.45	.30	Metropolitan Gold	6,600	.44	.44	.41	.42
No	2.65	1.20	Mining Corp.	3,165	2.08	2.06	1.95	2.00
1	.05	.01½	Moffatt Hall	26,500	.02½	.02½	.02½	.02½
1	.12½	.02	Moneta	5,000	.08	.08	.06½	.07
1	.00½	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
No	.12½	.05	Moss (new)	5,600	.05	.05	.05	.05
1	.03½	.00½	Murphy	4,500	.01½	.01½	.01½	.01½
No	.06½	.02½	Newbec	33,100	.03	.03½	.02½	.02½
1	.06½	.01½	Night-Hawk Penn.	19,600	.04½	.05	.04½	.05
5	3.50	1.15	Nipissing	16,910	2.65	2.89	2.61	2.65
No	39.25	19.75	Noranda	11,690	36.00	37.00	35.25	35.65
No	.52	.32½	Nor. Canada	20,800	.38½	.44	.39½	.41
No	.48	.19½	Normont-Gold	26,650	.45½	.48	.45	.48
1	.34	.05	Osisko	20,100	.14	.24½	.12	.21
1	.46	.11	Parkhill	96,350	.45½	.46	.39	.39
1	.03½	.01	Pawnee Kirk	......	.01½	.....	.....	.....
1	.29	.20	Paymaster	100,225	.24	.29	.24	.28
1	1.80	.50	Pend Oreille	4,800	1.05	1.05	.95	.98
1	.04½	.00½	Peterson Cobalt	6,500	.02½	.02	.01½	.02
1	16.25	4.30	Pioneer Gold, B.C.	5,260	11.40	12.35	11.00	12.00
1	.03	.00½	Porcupine Crown	1,500	.02	.02	.01½	.02
1	.01½	.00½	Potter Doal	2,500	.01	.00½	.00½	.00½
1	1.60	.55	Premier Gold	4,025	1.25	1.25	1.23	1.23
1	.03½	.00½	Preston E. Dome	3,000	.02	.02½	.02½	.02½
No	1.75	.65	Prospectors Air's	13,200	.69	.75	.68	.73
No	.15	.03	Quemont	600	.12	.13	.13	.13
1	.51	.33	Read Authier	5,800	.43	.42	.35	.40
1	2.75	.85½	Reno Gold	80,150	1.04	1.06	.85½	.95
1	.03½	.00½	Ribago	61,500	.01½	.02	.01½	.02
1	.03	.01½	Ritchie	32,500	.03	.03	.02½	.02½
1	.04½	.01	Robb Montbray	500	.02½	.02½	.02½	.02½
1	1.60	.75	San Antonio	22,466	1.55	1.58	1.45	1.49
1	.07	.02	Seven Troughs	......	.07	.....	.....	.....
1	1.90	.33	Sherritt Gordon	20,946	1.28	1.32	1.25	1.25
1	1.78	1.25	Siscoe	60,880	1.49	1.50	1.44	1.50
1	.10½	.02½	South Keora	2,500	.04	.04	.03½	.04
No	.07½	.01½	Stadacona	94,850	.03½	.03½	.03	.03½
1	.80	.07	St. Anthony	6,700	.38	.39	.35	.35
No	2.21	.60	Sudbury Basin	3,875	1.50	1.50	1.35	1.37
1	.15	.00½	Sudbury Contact	28,400	.11½	.12	.10	.10½
1	.02½	.00½	Sudbury Mines	313,200	.01	.02½	.01½	.02
No	.28	.16½	Sudbury Nickel	300	.22	.28	.23	.28
1	.38½	.14	Sullivan	45,700	.16	.18	.15	.16½
1	1.44	.72	Sylvanite	67,510	1.21	1.30	1.27	1.27
1	.03½	.01½	Tashota	......	.01½	.....	.....	.....
1	7.25	3.70	Teck Hughes	17,983	6.60	6.75	6.55	6.65
1	.20	.03	Thom. Cadillac	36,900	.15	.16	.14½	.16
1	.61	.10	Towagmac	13,400	.47	.49	.47	.47
1	3.00	1.00	Treadwell	100	1.51	1.35	1.35	1.35
1	.25	.04	United Kirkland	12,700	.23½	.25	.22	.22
No	.06½	.01½	Vacuum Gas	3,000	.01½	.01½	.01½	.01½
No	2.40	.30	Venezuela	......	1.06	.....	.....	.....
No	1.50	.80	Ventures	45,935	.97	1.05	.95	.95
1	.22	.02	Vickers	4,000	.02½	.02½	.02	.02
1	.72	.20	Vipond	9,309	.54	.56	.50	.54
No	2.55	.35	Waite Ackerman	1,000	1.42	1.48	1.41	1.41
50c	.75	.33	Wayside	67,303	.46	.47	.42	.46
No	.29	.24	White Eagle	18,300	.25	.26	.24½	.24½
1	.08	.02½	White Lake	500	.04½	.03½	.03½	.03½
1	.28	.02	Wiltsey Coughlan	144,600	.18	.23	.18	.19
1	.27	.06	Wood Kirkland	16,000	.09	.10½	.09	.10
No	8.60	3.73	Wright-Hargreaves	55,405	8.15	8.60	8.15	8.25
			OIL STOCKS					
No	.32	.07½	Acme Gas & Oil	29,300	.18½	.18½	.17	.17
No	.01	.01	Advance Oils	......	.01	.....	.....	.....
1	.04½	.04½	Admiral	......	.04½	.....	.....	.....
1	1.60	.55	Ajax	3,925	1.31	1.30	1.26	1.26
1	.68	.05	Alta. Pacific	4,500	.20	.21	.19	.19
1	.20	.05	Amalgamated	3,100	.15	.15	.12½	.12½
No	1.10	.04½	Associated	9,003	.24	.26	.24	.26
No	.26	.01	Baltac	4,500	.08	.07	.06	.06
No	2.50	.25	Calgary & Ed.	2,625	1.20	1.28	1.22	1.28
1	.45	.03	Calmont	5,800	.12	.14	.10	.10
1	.25	.03½	Common Pete	1,600	.10	.10	.10	.10
No	2.50	.11	Dalhousie	6,250	.55	.55	.50	.50
No	.19	.02	Devenish	100	.12	.12	.12	.12
No	.55	.05½	East Crest	6,045	.33	.33	.32	.32
No	.36	.22½	Erie Gas	200	.25	.23	.23	.23
No	.02	.00½	Fabyan Pete	58,300	.01½	.01½	.00½	.01
No	1.75	.06	Foothills	425	.40	.48	.47	.48
No	.28	.06	Freehold	1,000	.12	.11	.11	.11
No	.12	.01½	Hargal	......	.10	.....	.....	.....
No	4.05	.30	Home	6,990	2.04	2.05	1.85	1.86
No	.05	.02½	Homestead	......	.02½	.....	.....	.....
1	.25	.10	Homestead O. & G.	5,000	.14½	.15	.14½	.14½
No	.47	.10	Lowery	1,000	.35	.20	.20	.20
No	.06½	.03	Madison	7,000	.04½	.04½	.04	.04
No	.20	.05½	Marion Oil	......	.13	.....	.....	.....
1	1.85	.14	Mayland	......	1.40	.....	.....	.....
No	.10	.03½	McD Segur Ex.	1,000	.06½	.05½	.05½	.05½
.	.08½	.05½	McD. Segur N.	......	.07	.....	.....	.....
1	1.10	.25	McLeod	400	.42	.40	.38	.38
No	.30	.07½	Mercury	36,500	.18	.19½	.17½	.18½
No	.45	.11	Merland	2,900	.30	.29½	.27	.28
.	.01½	.01	Mid West	......	.01½	.....	.....	.....
No	.35	.09	Mill City Pete	400	.18	.18	.18	.18
1	.50	.12	Model	900	.30	.29	.27½	.27½
5	.30	.09	Nordon	5,600	.13½	.14	.13½	.14
No	.12½	.02½	Oil Selections	55,500	.05½	.07½	.06	.06½
No	.20	.04½	Okalta	......	.08	.....	.....	.....
No	.61	.20	Olga Gas & Oil	2,000	.34	.32	.32	.32
1	.25	.13	Petrol Oil & Gas	2,600	.18	.18	.18	.18
No	.02	.02	Richfield	......	.02	.....	.....	.....
No	23.00	5.75	Royalite	350	15.60	15.25	14.00	14.00
1	.25	.05	Sarnia Oil	4,300	.12½	.13	.10	.11½
No	.45	.04	South West Pete.	700	.15	.15	.15	.15
1	.39	.06	Spooner	......	.24	.....	.....	.....
No	.75	.12	Sterling Pacific	......	.32	.....	.....	.....
.	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
No	.25	.03	United	5,800	.09	.08	.07½	.07½
No	.25	.06	Vanalta	300	.16	.14	.14	.14
No	.08	.00½	Wainwell	1,600	.02½	.03	.02½	.02½

VANCOUVER STOCK EXCHANGE

(Transaction for Week to October 2.)

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Sept. 26 (or last)	High for week	Low for week	Close Oct. 2
25c	.03	.00½	Bayview	......	.01	.....	.....	.....
20c	.10½	.02½	Beaver Silver	34,500	.07½	.07½	.06	.06½
25c	.17	.03	Big Slide	2,500	.04	.04	.04	.04
25c	.06½	.02	Bluebird	......	.03	.....	.....	.....
No	13.00	1.88	Bralorne	1,966	12.50	12.10	11.05	11.50
1	.57	.05	Bridge River Cons	20,700	.34	.34	.30	.30½
50c	.71	.35	Bridge River Exp.	19,000	.46	.47	.43	.45½
100	89.00	88.50	B. C. Electric, pfd	......	88.50	.....	.....	.....
.	.46	.40	B. C. Nickel	5,100	.44	.45	.40	.40
1	1.50	.60	B. C. Silver	......	1.00	.....	.....	.....
No	.82	.52	Burns Mountain	......	.55	.....	.....	.....
1	4.60	1.50	Cariboo Gold	19,810	3.75	3.90	3.65	3.70
No	12.90	5.60	Coast Breweries	348	10.60	10.75	10.50	10.50
25c	.02½	.00½	Cork Province	4,500	.01	.01	.01	.01
1	.05	.02½	Cotton Belt	......	.05	.....	.....	.....
1	.08	.01½	Dalhousie Mines	......	.03	.....	.....	.....
1	.21½	.02	Dunwell	20,572	.20	.19	.13	.17½
1	1.00	.28	George Copper	700	.36	.36	.35	.35
50c	.12	.03	Geo. Enterprise	......	.03	.....	.....	.....
1	.09½	.02	Georgia River	33,700	.03½	.03½	.03	.03½
1	.60	.16	Golconda	500	.35	.34	.34	.34
50c	1.25	.40	Gold Belt	16,700	.60	.60	.50	.50
1	1.50	.95	Golden Belle	......	1.50	.....	.....	.....
50c	.11	.03½	Grandview	2,700	.04½	.04½	.04	.04½
1	.01½	.00½	Independence	1,000	.00½	.00½	.00½	.00½
1	.03½	.01	Indian Mines	......	.02½	.....	.....	.....
1	.17	.08½	Inter. Coal	1,000	.14	.13	.13	.13
1	.36	.36	Jack Waite	......	.36	.....	.....	.....
50c	.57	.24	Kootenay Belle	1,325	.28	.26	.24	.24
25c	.04	.00½	Kootenay King	1,000	.01½	.01½	.01½	.01½
25c	.01	.00½	L. & L.	3,000	.00½	.00½	.00½	.00½
1	.01	.00½	Lakeview	4,000	.00½	.00½	.00½	.00½
10c	.06½	.01	Lucky Jim	500	.04	.04	.04	.04
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	1.05	.20	Meridian Mines	52,400	.40	.41½	.39	.39
5c	.13	.04½	Metaline Metals	1,000	.05½	.04½	.04½	.04½
.	.01	.00½	Mohawk	7,000	.00½	.00½	.00½	.00½
.	.17	.09½	Mogul	23,500	.11½	.11	.09½	.09½
50c	.41	.18	Morning Star	26,700	.25½	.25	.22½	.23
1	.06	.00½	Morton Woolsey	2,675	.03	.02	.02	.02
1	.29	.05½	Native Sons	23,850	.08½	.09	.08	.09
50c	.10½	.01½	National Silver	33,200	.06½	.06½	.05½	.06
50c	.96	.74	Nicola	16,250	.92	.92	.88½	.90
50c	.21½	.02½	Noble Five	39,100	.11½	.12	.11	.11
50c	.01	.00½	Oregon Copper	......	.01	.....	.....	.....
1	.35	.20	Pavilion	......	.20	.....	.....	.....
1	1.25	.40	Pioneer Extension	......	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	1,179	11.25	12.00	10.75	11.50
1	.11	.10	Planet	......	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	4,400	.12	.12	.10	.10½
No	.04	.00½	Premier Border	26,000	.02	.02	.01½	.01½
1	.10	.02	Quatsino Copper	7,600	.03½	.04	.03	.03
No	.42	.10	Reeves McDonald	400	.20	.18½	.18½	.18½
1	.30	.25	Reliance	......	.27	.....	.....	.....
1	2.70	.60	Reno Gold	26,600	1.16	1.15	1.00	1.01
1	.22	.04	Reward Mining	6,000	.08½	.09½	.08	.09
1	.10	.01	Rufus Argenta	14,000	.04½	.04	.03	.03
1	.07	.01	Ruth Hope	......	.02½	.....	.....	.....
1	.65	.40	Sally Mines	100	.45	.45	.45	.45
1	.15	.03½	Silverado	2,200	.08	.07	.06½	.06½
25c	.09	.01	Silver Crest	4,000	.03½	.03½	.03	.03
20c	.03½	.01½	Silversmith	1,000	.02	.02	.02	.02
50c	.04½	.01	Snowflake	10,300	.01½	.01½	.01½	.01½
25c	.06	.06	Sonora	......	.06	.....	.....	.....
1	.61	.40	Standard Gold	......	.40	.....	.....	.....
1	.50	.20	Sunloch	......	.24	.....	.....	.....
5	.40	.20	Toric	......	.40	.....	.....	.....
50c	.03½	.01	Topley Richfield	......	.01½	.....	.....	.....
50c	.72	.08	Wayside	46,850	.47½	.49	.44½	.45½
25c	.12	.01½	Waverly Tangier	31,500	.03½	.03½	.03	.03½
20c	.05	.01½	Wellington	......	.02½	.....	.....	.....
No	.36	.23	White Eagle	4,950	.26	.26	.23	.24
1	.18	.03	Whitewater	500	.08	.07½	.07½	.07½
1	.48	.40	Yankee Belle	......	.42	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	6.34	McLeod Oils‡	5c.	.....
Coast Brew	92c.	.....	Mercury Oils	4c.	.....
Coniagas‡	12½c.	.....	Merland Oils‡	5c.	.....
Coniaurum†	3c.	.....	Noranda‡	50c.	.....
Cons. Smelters*	10%	.....	Petrol Oil	°2c.	.....
Dome Mines	$1+55c.	4.09	Premier	12c.	9.75
Falconbridge	20c.	.....	Pioneer, B.C.	60c.	5.00
Goldfield Cons.‡	5c.	.....	Royalite	50c.	.....
Hollinger	65c.+10c.	7.07	Siscoe	12c.	8.00
Howe Sound	$1	.....	Sterling Pacific Oil‡	3c.	.....
Int. Coal & Coke‡	2c.	.....	Sylvanite	4+3½c.	.....
Lake Shore	$2+$1	6.00	Teck-Hughes	60c.	9.02
McIntyre	$1+75c.	3.97	Wright-Har.	20c.+10c.	3.63

*Stock. ‡Interim. †Initial. °Paid in 1932.

Unlisted Mining Stocks

October 10, 1933

	Bid	Ask		Bid	Ask
Abana	.02	.05	Lake Malartic	1.00	1.10
Adanac G. Un.	105.00	125.00	Little Long Lac.	.68	.70
Alschbach Gold	..	.06	McCarthy Webb.	.06½	.08
Athadome	.05	.08	McChesney Moss Un.	20.00	35 00
Arntfield Gold	.75	..	MacKenzie Red Lake	.46	.51
Arntfield Synd.	.45	..	Man. & Eastern	.03	.04
Astoria Rouyn	.02	.04	Maple Leaf M.	.25	.27
Bathurst	.02½	.04	Matachewan Can.	.11	.13
Beattie	1.50	1.55	Mecca Gold	.20	.23
Bidgood	.01½	.02½	Metals Develop.	.04	.06
Brubaker Units	..	300.00	Minaker Kirk.	.32	..
Buff. Ankerite	1.05	1.10	Mindoka	.01½	.03½
Bussieres Min.	.20	.30	Minefinders	1.00	..
Cna. Pandora	.20	.30	Minrand Gold	.25	.33
Can. Radium	.07	.11	Montreal-Alb. Petroleum	.38	..
Canusa Gold	.01½	.03	N.A.M.E. Units	4.00	6.00
Cochenour-Wil. Units	15.00	20.00	Normetal Min	.50	.75
Continental Gas	..	.12	Northl'd Pros.	500.00	700.00
Continental Kirk.	.04	.06	N'W Que. Pros.	15.00	25.00
Crown Reserve	.01	.02½	Opemiska Copper	.02	..
Delta	40.00	70.00	Oro Grande Dev.	.40	.60
Dentonia Mines	.20	.25	Pandora	.30	..
Dorval Siscoe Units	10.00	17.00	Peninsular Pet.	.00½	.01
Dunkin	01	.04	Pontiac Rouyn	.37	.40
Dunlop Cons.	.05	.06	Quebec Pros.	2.00	..
Eagle Oil	1.20	1.35	Queen Lebel	..	.03
East Rouyn	..	.18	Rubec Mines	.01½	.03
Echo Bay Explor.	..	.35	Silveradium Un	75.00	..
Elbow Lake-Shore Un.	..	50.00	Smelter Gold	.37	.38
Fairmac Un.	..	10.00	Sourdough Un.	5.00	..
Fiske Gold	.01	.02	South Tiblemont Units	44.00	46.00
Flintoba	.00¼	.01	Sun Bear	.28	.32
Galatea Units	25.00	..	Sunorea Explor.	1.15	1.25
Glenora Gold	.25	.35	Swayze Contact.	.10	.14
God's Lake	.62	.67	Tiblemont Island	.14	.15
Gr. Bear Lake	.35	.40	Tom Montgomery Un.	..	175.00
Greene Stabell	.50	.55	Tyrrell Tp. McN.	..	40.00
Hayden Gold	..	.06	West McWatters Units	..	15.00
Holytrex	.01	.02	Young Davidson	.25	.27
Horseshoe	.13	.15			
Island Lake	.17	.20			
Kenty Gold	1.45	1.50			
Kirk. Divide	.20	.25			
Kirk. Gold	..	.25			
Lake Geneva	.18	.23			

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

LORD MACMILLAN REPORT NOT DUE UNTIL NOVEMBER

(Continued from page 14)

dise exports, sales of securities Canadian abroad, or increase in tourist trade in Canada would serve to adjust the country's external debit situation and, failing relief from one or other of these sources, correction would have to be made either by diminution of merchandise export into the Dominion of diminution of security purchases abroad by Canadian citizens or diminution of tariff expenditures by Canadians. In order to bring any one of these about, or all together, it would be necessary to diminish the aggregate purchasing power of Canada. A drain of gold arising from such a situation would directly press upon the cash reserves of the commercial banks, would impose upon them a cautious lending policy without requiring action on the part of a central bank. If the banks failed to recognize the situation and to contract their own operations accordingly, pressure upon their cash reserves would bring them as would-be borrowers to the central bank which would thus automatically find itself in a dominant position.

Loan Council Might Act

Account must also be taken in the balance of international payments due to persistent over-borrowing abroad on the part of public or private bodies in Canada, which, continuing over a period of years, would enlarge and give a rigid character to Canadian debits on international accounts eventually subjecting the Canadian dollar to strain in the foreign exchange market such as have wrecked the currency systems of many young countries in various parts of the world during recent years. This could only be prevented by curtailing loans abroad and a central bank might safeguard the country from such a contingency by regulating the creation of debts from year to year. A national loan council possessed of the same control over the creation of debts would produce exactly the same results. It is pointed out, however, that the operation of the British North America Act precludes the possibility of any central bank ever being in a position to exercise effective control over the volume and direction of a large portion of the long-term issues that may be made in Canada.

Hard to See Over-Expansion

Third consideration is the possible variation in the balance of international payments due to the gradual over-expansion of Canadian business. It is difficult to determine whether business is becoming over-expanded and when this is realized it is difficult to apply a gradual check. The fourth possibility is a general deflation in the gold standard countries which may seriously dislocate the balance of payments of any one country, within which the price level does not quickly conform to the general movement. This is particularly the case when the country concerned is a debtor on account of past borrowings abroad. Canada might, therefore, find herself again in the same position as when the worldwide process of deflation became apparent in 1930. This situation, too, is not only difficult to recognize but difficult to adjust and public opinion would be against restrictive measures and this would add to the difficulties confronting the management of a central bank.

Banks' Attitude on Central Bank

Summing up it is stated that "it is probable within the frame work of a restored international gold standard a central bank might function usefully if it were possible to keep it free from political influence, relying in the main on persuasion rather than on the devices for controlling the domestic market that it would possess. Moreover, to the extent that its advice was accepted, it might usefully guide Canadian borrowers and set its face against the creation of top-heavy debts. In all of these functions, the prestige, foresight, and intelligence of its management would determine the extent of its accomplishments, but lacking capacity of the highest order, it could make disastrous mistakes."

If, as an alternative to or pending a return of, the gold standard, it was decided to either peg the Canadian dollar at a definite relationship with some external measure such as, for example, the £ sterling or the U. S. dollar, and to maintain the pegged rate; or to manage currency and exchange with a view to maintaining stability of internal prices no matter what the results on exchange rates, the problem presents different aspects. Funds for such purposes must be provided by the government regardless of the existence of a central bank.

In the first case, necessary action could be taken by existing agencies under governmental direction and authority although a qualified board of some kind would be required to direct any such policies. In the second case, a central bank would probably be essential but this is subject to the qualification that Canada would meet with almost unique difficulties in undertaking to maintain stability of internal prices through management of currency and exchange.

Note Issue Essential

Some prominent advocates of a central bank propose that such a bank should possess sole right of note issue in the Dominion which implies that the commercial banks would be deprived of their present note issuing privileges and that the duty should be laid upon each of the commercial banks of keeping a reserve with the central bank at all times equal to a statutory percentage of its liabilities to the public. Such provisions, the banks believe, would seriously curtail the activities of a commercial bank and their power to save the public. It is maintained that the present right of note issue permits the commercial banks to maintain branches in small communities, many of which would immediately become too costly for continued maintenance if the note of issue were to be withdrawn from the commercial banks.

Such branches can be maintained today as the present banknote issue provides them with an inexpensive currency without which these branches would be involved in continuous losses which, in the aggregate, might reach a large figure. If deprived of its note issue, the bank would at once face the question as to how many such branches must be closed. The chief danger would be to small communities whose growth might be seriously handicapped if they were deprived of banking facilities.

Would Reduce Earnings

Loss of the right of note issue would lessen seriously the earnings of the banks themselves. It is contended that no constructive purpose would be served by taking from the banks the privilege of note issue. Thirdly, it is held that right of note issue, now possessed by Canadian commercial banks, does not give them an independent control of the volume of notes issued in this country as the total amount which they are entitled to issue is limited to their total paid-up capital. The provision in the Bank Act which authorizes issue of notes in excess of the fully paid-up capital of the bank up to 15 per cent of the combined capital and reserve during the crop moving period and at other times only when such excess is covered by the deposit of gold or other legal tender in the central gold reserve, does not affect the situation for in the first case the excess amount is strictly limited and in the other is offset by the central gold deposit.

It is urged, therefore, that whatever institution may be created for the control of credit and currency, the sole right of note issue should not be vested in the new institution because, 1—the cancellation of the present banknote issue would penalize small settlements; 2—it would penalize the commercial banks themselves by lessening their earnings; and 3—its retention would not give to the commercial banks an independent discretion inconsistent with a sound monetary policy.

Object to Statutory Minimum Reserve

With regard to the maintenance by the commercial banks of statutory reserves with a central bank, after the model of the United States, two considerations were offered. 1—British practice has been to lay upon the London clearing banks no statutory obligations whatever with regard to their reserves and all of them make a practice of carrying a proportion of their reserves with the Bank of England. Custom has been quite sufficient to determine the procedure in detail. To stipulate the reserve which the Canadian commercial banks should carry with a central bank would be to limit their freedom of action. 2—Departure from the British tradition in the present instance would tend to cramp the commercial and agricultural activities of Canada, and the commercial banks, therefore, object to the maintenance of statutory minimum reserves with a central bank.

The argument for a central bank would be seriously weakened if the central bank was so planned as to prevent existing institutions from giving Canada the same complete commercial banking service that they now render. The Bank Act has evolved over a period of 60 years and there should be the minimum of change in those provisions of the Bank Act as a whole whose usefulness has already been proved in practice. Danger of political interference is visualized in connection with the establishment of a central bank and such pressure, if carried far enough, may change a central bank for practical purposes until it virtually becomes a department of the government as an instrument for the realization of its programme by the party that happens to hold power. If this danger would be present ordinarily, it is much more possible now at a time when years of unprecedented depression have brought dangerous currency theories into party politics. A central bank, like all other economic institutions, would, in any case, be subject to statutory coercion, but if it were entirely free from the risk of administrative coercion it might even prove a valuable additional bulwark against unsafe monetary nostrums, for it would ensure the fullest public discussion, by those most competent to form opinion on the subject, before experimentation with the currency.

Experienced, intelligent and conservative management is of vital importance for any central bank and the central bank can be no better than the men who manage it. If it were properly constituted and operated it might retain the virtues of the present régime without the defects which have been apparent in the centralized credit systems of other countries. It is pointed out, however, that the dangers of mismanagement arising from errors in central bank policy or political domination would be infinitely greater than any to which this country has yet been exposed. Error in policy of a commercial bank has a limited influence, but error in policy of a central bank would permeate the whole structure of the country.

MR. PICOBAC
Arrives in the West

Having devoted several weeks to the study of smoking conditions in Eastern Canada, Mr. Picobac has now turned his attention to the West. At Regina the Picobac reception committee welcomed him to Saskatchewan and motored him out to see the threshing gangs at work.

Asked as to his views on the future of Western Canada, the philosopher from sunny southern Ontario picked up a wheat straw and thrust it through the stem of his pipe . . .

"As long as you can grow No. 1 Northern . . . on a long, strong, heavy, pipe-cleaning straw like that," pronounced he; "and as long as we can grow the quality of Burley which makes Picobac . . ."

Mr. Picobac threw away the straw, replaced his pipe at a defiant angle and left the rest to imagination. Canada, both East and West, will go on and on.

• • •

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Canadian Mining News

MACASSA MINE CAPITAL CHANGE IS ANNOUNCED

Takes Over United Kirkland; No Further Financing Contemplated

The rumors of a capital reorganization of Macassa Mines together with its acquisition of the United Kirkland Gold Mines drew an official announcement from Robert A. Bryce, president of Macassa, which has clarified the company's position.

To The Financial Post Mr. Bryce emphasized that the present equity of the Macassa shareholders remained practically unchanged since less than five per cent of the authorized capitalization goes to the United Kirkland Gold Mines shareholders. Along with the other assets is some $60,000 in cash. By taking advantage of the occasion to reduce the capital structure and exchange shares on a two-for-one basis, the capitalization of Macassa is put on a more conservative basis.

The company does not owe any money and has sufficient cash on hand to finance operations until returns from production are received, therefore the reorganization was not made necessary for financial reasons, Mr. Bryce explained.

The official statement is as follows:

"Macassa had an opportunity to buy control of the adjacent property, United Kirkland Gold Mines, Limited, but as the company did not have sufficient treasury shares to purchase it, five of the large Macassa shareholders purchased control of United Kirkland shares—one Macassa share for every five United Kirkland shares—they using their own Macassa shares to effect the transaction.

"These larger Macassa shareholders had no previous interest in United Kirkland; neither does any Macassa director own any United Kirkland stock. Macassa engineers and geologists recommended the purchase.

Offer Shares at Same Price

"These Macassa shareholders have offered this approximately 75 per cent of total issued United Kirkland stock to Macassa company at the same price and terms, and showing no profit to them. To take advantage of this offer at this time it would be necessary to create by supplementary letters patent more Macassa treasury shares, and it was thought the best way to do this would be to call a meeting of the Macassa shareholders and recommend a reduction of capital from 5,000,000 shares to 3,000,000 shares, issuing one new share for two old. Thus the new capital would be approximately 2,500,000 shares issued. Then take up all of the United Kirkland stock at the same basis. This would require 130,000 of new treasury shares, leaving 370,000 of the new treasury shares in the treasury of the company, and there is at present no intention of issuing these for any purpose."

Shareholders will be called to a general meeting to ratify the capital reorganization.

The new 200-ton daily capacity Macassa mill, which has been turning over since the first of the month will go into regular production this week.

Domes Mines—September gold production, exclusive of exchange compensation, was valued at $356,933, bringing the value of the nine months production in 1933 to $3,402,095 as compared with $3,178,432 in the corresponding period of 1932.

Merland Oil Co.—Gross production from the No. 1 well in August was 7,913 barrels. This well is currently averaging 260 barrels per day.

Metal Prices

New York—October 10—
Copper: Electrolytic spot, 8⅞ to 9c. lb.
Silver: 38⅛c.
London—October 10—
(Long Ton)—
Copper: Electrolytic spot, £37 5s; future, £37 10s.
Standard spot, £33 15s; future £33 17s 6d.
Tin: Spot, £224 15s; future, £224 15s.
Lead: Spot, £11 17s 6d; future, £12 5s.
Zinc: Spot, £16 10s; future, £16 17s 6d.
Silver: 18 5-16d. per ounce.
Gold: 133s 9d.
Canada—October 10—
Gold: £32.09.

God's Lake Gold Mines, Limited

We shall be pleased to furnish latest information upon request.

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Gods Lake Gold Mine Hits Vein at 500 Ft.

Diamond drill hole No. 41, at the Gods Lake Gold Mines, the last put down and also the deepest, encountered the vein at a depth of 500 ft., confirming the structural features encountered on the upper horizons. Assays are not yet available nor is there much concern about the values as the structural features are considered as more important at this juncture.

Eldon Brown, manager of the company, is at present in Toronto pending the freeze-up, permitting the resumption of flying again into the area.

BRALORNE MINES EARNINGS RATE NEAR $1 SHARE

Present 180-ton Mill to Be Stepped Up to 500 Tons

From Our Own Correspondent

VANCOUVER.—Bralorne Mines in the Bridge River area is earning not less than $1 a share annually while treating 250 tons of ore daily, according to a conservative estimate made recently. The mill is presently treating 180 tons daily and the company is planning 250 tons by the year end with a further extension of the mill to 500 tons capacity as soon as arrangements can be made for additional hydro-electric power.

It is still too early to hazard a guess as to how long it will take to develop the property to such an extent that a reasonable estimate of its value may be made. So far most of the Bralorne operations have been confined to the Lorne group of claims, but the Coronation and Ida May workings are believed to be fully as important.

Changes Come Fast

Engineers who have visited the mine recently state that things are happening so fast at Bralorne that the whole picture changes from month to month. The present market valuation is about $12,000,000 on the property.

Underground development at Bralorne is progressing well, according to reports from the field. The drift on the Wedge vein continues to indicate a good tonnage of high grade. The King vein has been opened to the tenth level and on completion of that drift in the section west of the fault operations will be ready for stoping. The eighth level tunnel has been extended beyond the second fault to explore continuation of the King vein.

B. C. Nickel Co. Now Employing About 400 Men

From Our Own Correspondent

VICTORIA.—Although officials of B. C. Nickel Co. continue to maintain a stony silence regarding the details of the financial deal said to include large financial interests, notably Edsell Ford and E. L. Cord Jr., they state that at the shareholders meeting to be held at the end of October, full information will be given.

In the meantime, work at the property is proceeding on a large scale, with approximately 400 men engaged either on the new road or on the property itself.

The presence of chromium in the mine is said to be primarily responsible for the interest of the eastern automobile manufacturers in the venture. Recent discoveries of this metal in the ores has brought about the resumption of interest and large scale activity.

Noble Five To Electrify Nelson Mine

From Our Own Correspondent

NELSON, B.C.—Rapid progress is being made by the West Kootenay Power & Light company in building its transmission line to the Athabasca mill and mine of the Noble Five Mines on Morning mountain, overlooking Nelson. The power company is putting in a substation at the mill. While the immediate programme calls for 150 h.p., West Kootenay will be able to furnish power as desired. Noble Five has completed its new bunkhouse, compressor house and blacksmith shop, and as soon as the power is on, which may be in 30 days time, it will change from hand work to machine drills in the deep tunnel.

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MERLAND OIL DEAL WITH PUBLIX GAS DRAWS INJUNCTION

Stormy Session Foretold For Meeting Called For Oct. 16

Shareholders of Merland Oil Co. of Canada have been advised of an annual and special meeting called for October 16 in Calgary. In addition to the usual routine of business, shareholders will be asked to ratify changes in several by-laws including the changing of the annual meeting place from Vancouver to Calgary.

That the forthcoming meeting will be a stormy one is foretold in a letter to shareholders by Fred Page Higgins, who has secured an injunction against the company from carrying through a deal made with the Publix Oil & Gas Co. The injunction was ordered by Mr. Higgins as trustee for Stobie-Forlong Assets Ltd., the largest individual shareholder in the company.

Mr. Higgins contends, along with several other large shareholders, that the deal, which was for the purchase of leases from Publix Oil & Gas and which was to involve $50,000 cash and 500,000 treasury shares of Merland Oil, is not in the best interests of the company. The deal, it is stated, was entered into by Alfred Hinds, president of the company, and some of the directors.

Excerpts from the letter are as follows:

"A meeting of the board of directors was called for Oct. 6, 1933, for the purpose among others, of allotting of shares of the company pursuant to a certain agreement of June 22, 1933, with Publix Gas & Oil. On further enquiry information was obtained from the company's secretary to the effect that an agreement bearing date of June 22, 1933, had been authorized at a meeting of directors, at which were present, Alfred Hinds, president, John Forbes, vice-president, John Agnew and J. E. Woods, directors, the two Toronto directors not being present.

"By this agreement, 500,000 treasury shares of your company are to be exchanged for shares of a company known as Publix Gas & Oil, an Alberta company said to be controlled by your president, Alfred Hinds. The agreement also provides for the payment of $50,000 in cash by your company for a 20 per cent interest in the production of a well to be drilled on land in proximity to the lands of your company.

"On further enquiry there is disclosed the following additional information which the writer believes to be a fair statement of the facts: One, Brossard, granted a lease of the property in question to one, William Saunders Hynes, reserving a 12½ per cent royalty there being also the 5 per cent or more reserved for the Government. William Saunders Hynes made an agreement with Alfred Hinds, your president, assigning this lease to Hinds but reserving to William Saunders Hynes a further 10 per cent royalty.

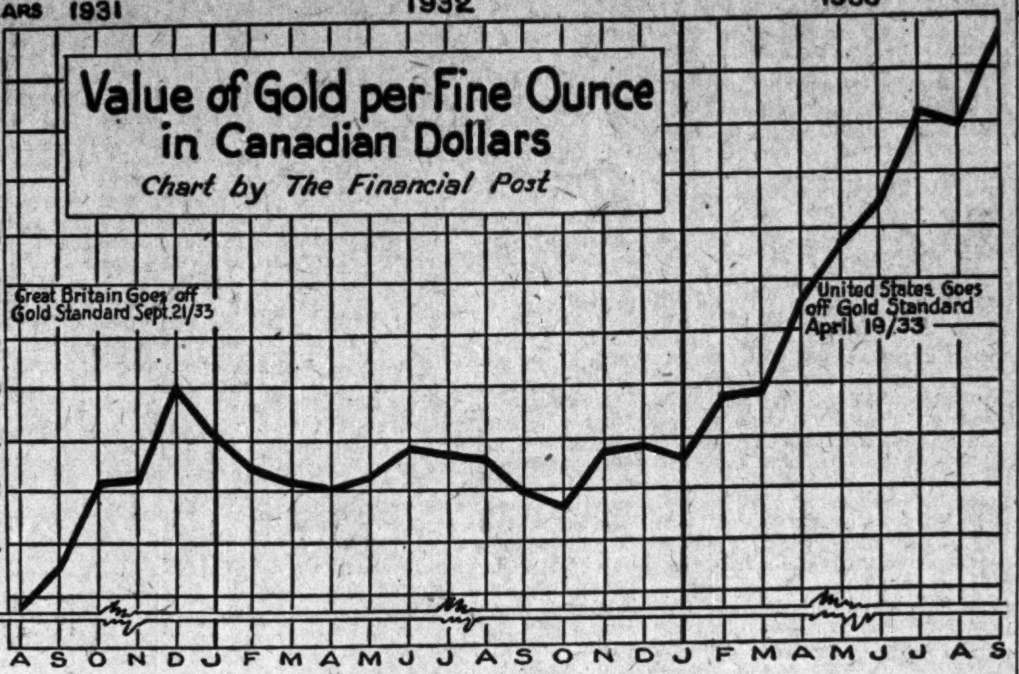
President Benefits

"The agreement between these parties contains other terms, the nature of which is not known to the writer, but Merland Oil Co. was made a party to the agreement, as guarantor that your president, Alfred Hinds, would perform his part of it. Then followed an agreement whereby your president, Alfred Hinds, transferred this lease to Publix Gas & Oil, reserving to himself, Alfred Hinds, a 12½ per cent royalty, making total reservations of 40 per cent. Publix Gas & Oil then made a drilling contract for a total contract price of $100,000, of which $50,000 is payable in cash and the balance is to be paid in oil from the well to be drilled. Publix Gas & Oil then made the agreement with your company of June 22, 1933, of which knowledge has just been obtained. By this agreement your company obtains a 20 per cent interest in the production of a well to be drilled for which it pays $50,000 — the total amount of cash required to drill the well. The agreement further provides for the exchange of 500,000 paid up shares of treasury stock of your company for shares of Publix Gas & Oil. Information is not available to the writer as to the number of shares of Publix Gas & Oil to be exchange. The writer's information is that your president, Alfred Hinds, is also president of that company, and that John Agnew, his son-in-law and one of the directors, is also a director of the Publix Company."

Mr. Higgins, in the above letter, stated that information of these transactions was not communicated to the Toronto directors, but that they were disclosed through the minutes of the meetings to the company's secretary-treasurer. A protest was made by the secretary-treasurer at that time. Promptly on learning of the contemplated issue of shares, suit was entered by Mr. Higgins.

Mr. Higgins, in his letter, asks shareholders to appoint himself or Mr. Chapman, the secretary-treasurer, as their proxy at the annual meeting.

Gold Keeps to Its Upward Trend



The steadily rising price of gold in the London market has given support to the leading dividend-paying gold securities in Canada and just what the future holds remains somewhat uncertain. Many think that France will be forced off the Gold Standard and if such should be the case, at least a temporary reaction in the price of gold might occur.

In the above chart, the trend of gold prices since Great Britain went off the Gold Standard is graphically shown. The present prices of gold stocks have been closely paralleling the rise in price of gold, and have discounted earnings from production based on this higher gold value.

The Week in Mining

Gold Stocks Decline

In general sympathy with other securities the trend of the higher priced gold stocks early this week was decidedly downward. The fact that the price of gold in the London market remained steady, with the equivalent price in Canadian funds over $32, failed to give buoyancy to the golds, which have been the market favorites.

This weakness in the gold stocks cannot be interpreted as reflecting any preconceived opinions as to the price trend of gold but rather to the listless general security market.

In the junior gold stocks, Macassa showed the greatest decline due to the announced policy of its president of reducing the capital structure and exchanging shares on a two for one basis. While this is proposed without any idea of further financing and will not materially change the equity of the shareholders of the company the inevitable reaction to any capital change whereby shares are reduced is being manifested.

* * *

C. I. M. M. Meets in Quebec

The 1934 annual convention of the Canadian Institute of Mining and Metallurgy will be held in Quebec City on April 3, 4 and 5. The place of this annual conclave of mining men was announced following a very pressing invitation by Hon. J. E. Perrault, Minister of Highways and Mines to Balmer Neilly president of the institute and the committee in charge of the annual convention.

Con. Smelters Production Shows Slight Improvement

Production in the third quarter of 1933 showed a slight advance over that in the second quarter, according to figures just released by the Consolidated Mining & Smelting Co. of Canada.

The following tabulation gives production figures for the third quarter and the total for the nine months ended September 30, 1933:

	1933 3rd qu.	1933 9 mo.
Lead, tons	31,521	91,757
Zinc, tons	16,289	46,043
Copper, tons	......	......
Gold, ounces	7,418	17,380
Silver, ounces	1,485,393	4,235,393

SODIUM SULPHATE IN SASKATCHEWAN FURTHER UTILIZED

New Refining Plant Under Construction by Toronto Group

From Our Own Correspondent

REGINA.—Considerable interest is being displayed in Saskatchewan's sodium sulphate deposits. This mineral is used in such industries as nickel refining, chemical, pulp, and paper, glass, dye, tanning and textile. Medicinal preparations are also on sale the world over.

Until recently Canada imported more than 70,000 tons in different forms, valued at more than $750,000. Production in Saskatchewan has been growing from year to year. In 1922, 500 short tons were shipped. In 1933 the total exceeded 10,000 tons and by next spring this total may be doubled.

Company Formed

Immediate erection of a sodium sulphate refining plant at Ingebright, 40 miles north of Maple Creek where there is one of the largest deposits in the province, has been announced by Metallics and Non-Metallics, Ltd., of Toronto. This plant will cost $150,000 and should be in operation in two months.

Connected with the company are V. T. Bartram; Gerard Ruel, K.C., former C. N. R. vice-president; Prof. C. H. E. Cottee; Lumsden Cummings, all of Toronto; George E. Bunting, formerly C. N. R. representative at Sydney, Australia, and Frank Biggs, former member of parliament for Dundas.

Mr. Bartram believes the Ingebright deposit is one of the largest in the world and contains 98.8 per cent sodium on the surface. The deposit goes down 135 ft. and it is estimated there are between 25,000,000 and 50,000,000 tons. Thirty men will be employed when the plant opens.

Paper Chief Consumer

Production in Canada for home consumption requirements will affect imports from Germany and the State of Texas, mainly. Saskatchewan is the only province shipping from natural deposits.

A plant is now in operation in Regina processing the salts for medicinal purposes. Little Manitou Lake deposits are being used and the product is now on the market.

LABRADOR GOLD REPORT WITHHELD FOR THE PRESENT

Interest Being Revived at Various Mining Properties

The report of the Labrador gold find, examined by Dr. H. A. Snelgrove and F. W. Foote for the Newfoundland Government, will not be made public for the present, according to information given The Financial Post by W. J. Walsh, minister of agriculture and mines of Newfoundland.

Mr. Walsh accompanied Messrs. Snelgrove and Foote, who found several outcrops of mineralized quartz, the largest of these being 200 ft. wide by 900 ft. long, fairly well mineralized, but samples gave very little gold content.

A revival of interest in Newfoundland's mineral possibilities was also confirmed by Mr. Walsh, who says that the Norsemen Corp., headed by Toronto interests, are sending E. E. Campbell and F. W. Foote to St. John's this month to confer with the government regarding Norsemen's smelter concessions and property options.

Four years ago the Norsemen Corp. secured an exclusive franchise to smelt customs ore in Newfoundland until 1945, also a 99-year lease on water power as well as options on the Tilt Cove copper property and the Betts Cove copper property, both formerly operated in the early 80's producing several hundred thousand tons of ten per cent copper. It is planned to make a start this fall, according to Mr. Walsh, under the terms of the concession.

A new development in Newfoundland by Toronto interests calls for immediate work on a high grade copper property carrying gold and silver at a place called Cinq Cerf on the southeast coast. A mining engineer is already on the grounds making preparations for sinking a shaft and doing some tunneling. This property covers approximately one square mile, about 45 miles from Port aux Basques on the railway. It was formerly held by W. H. Taylor and L. C. Outerbridge.

At St. Lawrence, which is also on the southeast coast at the mouth of Placentia Bay, a couple of thousand tons of high grade fluorspar has been mined, some of which has been shipped to New York, thus marking a new mineral development for Newfoundland.

Due to its strategic geographical position, Newfoundland's mineral resources are promised more intensive exploration once base metal prices improve.

Following the chief production period in the sixties and seventies, when copper production formed nearly one-sixth of the world's total, little has been done to exploit mineral possibilities except at Buchans in the interior, where copper, lead, zinc concentrates have been steadily shipped throughout the last four years of adverse base metal prices.

Bidgood-Kirkland Mines—The No. 2 shaft is being dewatered following, which it is to be deepened to the 1,000-ft. horizon. Additional mining equipment is on the way to the property.

Canadian Kirkland Mines—A vein encountered 30 ft. in width in horizontal diamond drilling from the No. 1 shaft, is shown to be well mineralized.

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Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

		May 1933	June 1933	Six Months Ended June 30 1932	1933
Asbestos	ton	11,121	12,455	55,457	48,632
Cement	brl.	309,717	401,060	2,322,404	1,088,537
Clay products	$	223,910	226,892	1,969,114	858,903
Coal	ton	669,206	701,452	5,700,521	4,962,357
Copper	lb.	21,056,268	25,265,798	130,326,128	127,922,810
Feldspar	ton	528	864	4,222	2,522
Gold	fine oz.	237,661	261,411	1,501,230	1,457,923
Gypsum	ton	33,400	50,070	136,383	97,025
Lead	lb.	25,850,858	20,705,505	127,310,495	128,802,716
Lime	ton	25,599	26,872	157,710	125,679
Natural gas	M. cu. ft.	1,689,071	1,131,376	14,083,323	13,313,212
Nickel	lb.	5,480,554	8,050,726	21,128,214	22,717,361
Petroleum	brl.	89,754	113,447	565,571	531,258
Salt	ton	17,342	18,419	79,180	81,192
Silver	fine oz.	1,176,487	882,035	9,361,489	7,386,314
Zinc	lb.	13,926,963	15,619,628	89,065,149	83,310,374

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President, J. A. Wilson Company Ltd.
CARL ERICKSON, Vice-President and Managing Director.
Capable Engineering Staff:
C. ERICKSON, Chief Engineer T. C. DENTON, E.M., Geologist V. B. LYLE, E.M., Field Engineer
and
H. F. FANCY, E.M., Resident Superintendent of Casey Summit Gold Mines Limited, which is being financed to production by Maple Leaf Mines Limited.
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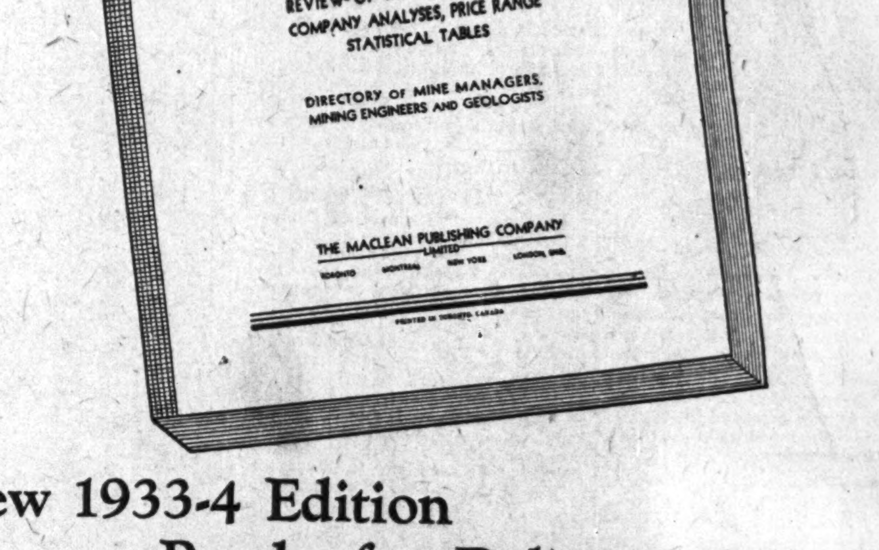
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